

SERVICE AND FISCAL FEASIBILITY STUDY OF:

- The Incorporation of Dublin as a City
- The Annexation of Dublin to Pleasanton

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Prepared for the Alameda County Board of Supervisors

by

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I SUMMARY

1. Fiscally, both the incorporation of Dublin and its annexation to Pleasanton are highly feasible. With either alternative, city revenues will clearly exceed city costs, due to the unusual amount of sales tax collected in Dublin. Annual city costs and revenues for the full range of local services are estimated as follows:

	<u>Incorporation</u>	<u>Annexation</u>
Costs	\$4,659,552	\$3,615,250-3,985,250
Revenues	5,582,271	\$4,925,303
Surplus	922,719	940,053-1,310,053

The reason for the range of annexation costs is uncertainty over the level of street maintenance Pleasanton will provide. Generally services cost less under annexation than incorporation, due to the avoidance of duplicated staff and offices. A new city providing only limited services would be equally feasible financially, but less desirable in terms of community organization.

With incorporation, the excess revenues can be used to provide more, or higher levels of, city services than are proposed in this study, or used to reduce city utility rates. This would be facilitated by a "full-service" city which took over DSRSD services in Dublin. With annexation, the excess revenues can be used to upgrade city services and facilities throughout the expanded City of Pleasanton.



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2. A major concern is the fate of the Dublin-San Ramon Services District and its present services: sanitation; fire protection; parks and recreation; and water supply (in Dublin only). Because Pleasanton provides these services, with annexation detachment of Dublin from the DSRSD is virtually unavoidable. By not providing one or more of these services, a new city could leave the district more or less intact. It is recommended that, in the event of incorporation, the new city also provide these services, and that Dublin be detached. There are several reasons: to carry out legislative intent favoring single multi-purpose agencies; to simplify local government in Dublin; and to make excess city revenues available for all services.

Many of the advantages of the present DSRSD system of providing services in both Dublin and San Ramon can be preserved contractually, despite the detachment of Dublin. The new city, or the City of Pleasanton under annexation, would contract to continue service to San Ramon. The San Ramon contracting entity could be either the remainder of the DSRSD or a new county service area. Alternatively, San Ramon could be annexed to adjoining Contra Costa County fire and recreation districts.

On balance, keeping the DSRSD in existence in San Ramon does not appear to present organizational or financial problems, and would assure that area of continuity of service, representation, and a vehicle

for contracting for services and raising revenues. Later, as the balance of the San Ramon Valley area to the north is developed, annexation to the Contra Costa districts might appear more desirable.

3. The Stoneridge Shopping Center opening will affect present retail sales in Dublin, primarily in the department and apparel store categories. About two-thirds of the stores in Dublin are not of the type found in regional shopping centers, and will not be affected. Most of the Stoneridge market will be purchases Livermore Valley residents are now making outside the area. As a result, the loss in Dublin taxable sales is not expected to be major, and its decline estimated at a 13%. If growth in the area continues, this loss would later be regained.
4. Among the factors bearing on the incorporation/annexation choice, about which this report draws no conclusions, are the following:
 - a. Fiscally, the excess city sales tax revenue is contributed to by the entire Livermore Valley and San Ramon population of about 130,000. Incorporation would use these funds to benefit Dublin, with a population of 15,000, while annexation would use them to benefit the combined Pleasanton/Dublin population of 50,000.
 - b. The question of "community identity", and the extent to which Dublin is a viable separate community, as contrasted to being an appropriate

sub-community within Pleasanton. This goes back to the general sphere of influence policy question.

5. Finally, though it has no bearing on the choice, it should be noted that either incorporation or annexation will result in a net fiscal loss for the county. This results primarily from the large sales tax loss, and with incorporation there is also a property tax transfer. Rough figures are:

Decrease in county costs: \$1,732,442

Decrease in county revenues:

<u>General fund</u>	<u>Incorporation</u>	<u>Annexation</u>
Property tax	\$ 779,599	\$ --
Sales tax	1,671,208	1,671,208
Subventions	100,000	100,000
Per capita revenues	100,000	100,000
Building permits	90,000	90,000
	<hr/>	<hr/>
Subtotal	\$2,740,807	\$1,961,208
<u>Road fund</u>		
Gas tax	\$ 20,000	\$ 20,000
Special road funds	<u>69,000</u>	<u>69,000</u>
Subtotal	\$ 89,000	\$ 89,000
Total	\$2,829,807	\$2,050,208

SUMMARY OF ANNUAL CITY COSTS IN DUBLIN

	<u>Full-Service City</u>	<u>Limited-Service City</u>	<u>Pleasanton Annexation</u>
General government	\$ 480,000	\$ 305,000	\$ 350,000
Engineering & Admin.	140,000	70,000	80,000
Street Maint.	670,477	670,477	300,000-670,000
Planning	90,000	90,000	50,000
Building Insp.	90,000	90,000	60,000
Police	900,000	900,000	600,000
Fire	682,125	-	600,000
Water	721,700	-	700,000
Sanitation	635,250	-	635,250
Parks & Rec.	<u>250,000</u>	<u>-</u>	<u>240,000</u>
	\$4,659,552	\$2,125,477	3,615,250-3,985,250

SUMMARY OF ANNUAL CITY REVENUES IN DUBLIN

	<u>Full-service City</u>	<u>Limited-service City</u>	<u>Pleasanton Annexation</u>
Property Tax	\$	\$	\$
From county	779,599	779,599	--
From DSRSD	606,169	--	616,600
Sales Tax	1,671,208	1,671,208	1,671,208
Subventions	354,095	354,095	354,095
Gas Tax	144,250	144,250	136,950
Hotel/motel	--	--	50,000
Business licenses	160,000	--	160,000
Per capita items	146,250	105,000	146,250
Building permits	90,000	90,000	90,000
Revenue-sharing	97,500	97,500	97,500
Special road funds	124,000	124,000	114,000
Sewer charges	650,000	--	650,000
Water charges	721,700	--	721,700
Recreation fees	<u>37,500</u>	<u>--</u>	<u>117,000</u>
	\$5,582,271	\$3,365,652	\$4,925,303

II Introduction

A. Scope of Study

In late 1979 a group of Dublin residents requested that the Alameda County Board of Supervisors initiate proceedings to incorporate Dublin, by submitting a resolution of application to the Alameda County Local Agency Formation Commission. If it did so, the resolution would have to be accompanied by a plan for service as required by the Municipal Organization Act of 1977. Incorporation could also be initiated by a petition of 25% of Dublin voters or landowners, and in that event the plan for service would be prepared by Lafco.

The Board of Supervisors was persuaded that under either alternative it would have to finance preparation of a plan for service. A second concern was that it has been Lafco policy that there should be only one city in the western Livermore Valley, as is borne out by the adopted Lafco spheres of influence designating Dublin as eventually a part of the City of Pleasanton. Along with this, the Board recognized that either incorporation or annexation would seriously affect the future of the Dublin-San Ramon Services District. Finally, Dublin's heavy retail sales activity, which proponents of incorporation assumed would make a new city financially viable, will be confronted with

competition from the opening in late 1980 of the nearby Stoneridge Shopping Center in Pleasanton.

Accordingly, the Board entered into a consulting agreement with William R. Zion, who has performed many such studies, to do the following:

1. Perform a service and fiscal feasibility study of two alternatives:
 - a. The incorporation of Dublin as a city.
 - b. The annexation of Dublin to Pleasanton.
2. The study shall include:
 - a. A projection of retail sales in Dublin after opening of the shopping center in Pleasanton.
 - b. A plan for service meeting legal requirements.
 - c. A reorganization plan for the Dublin-San Ramon Services District.

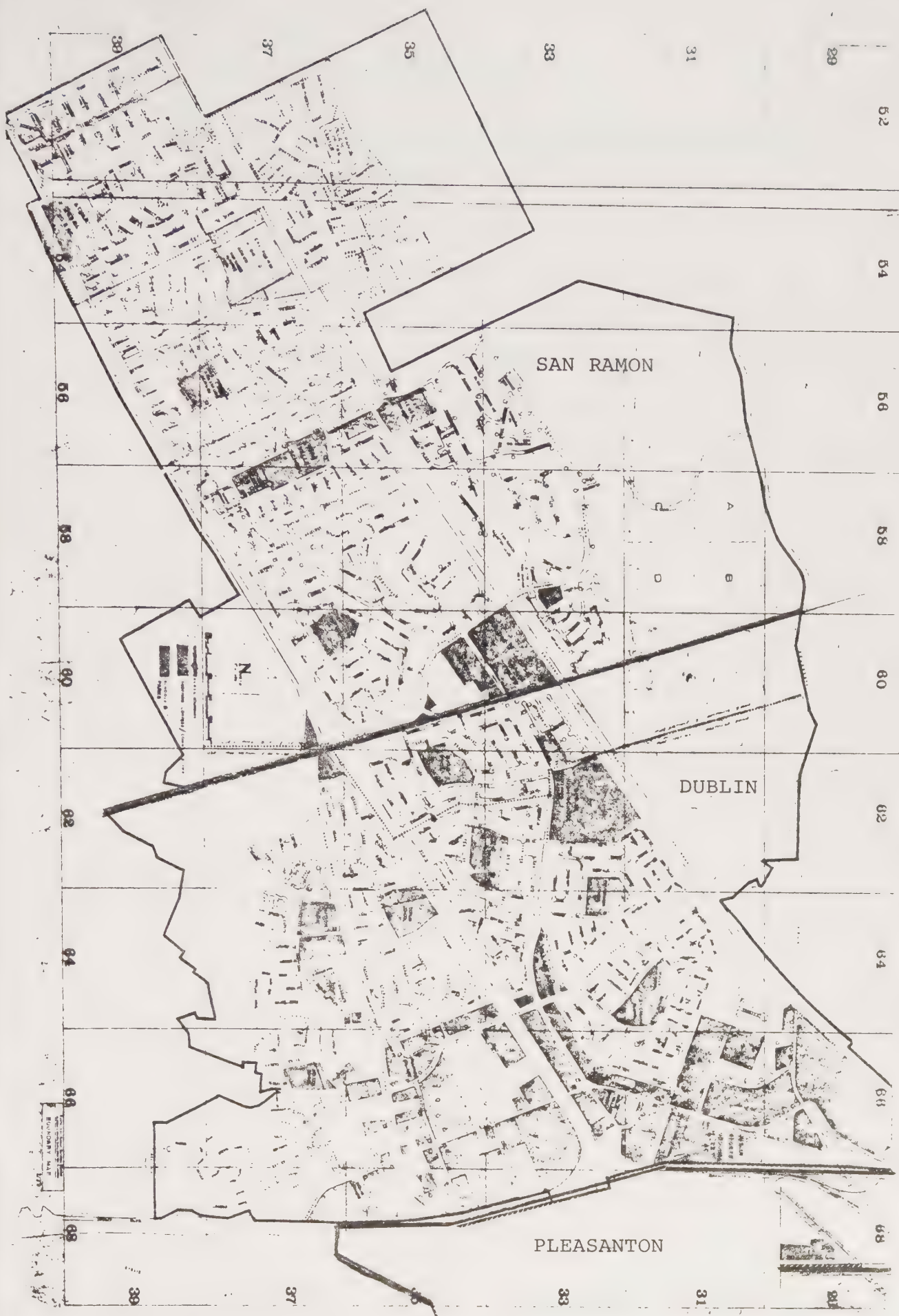
B. Study Area

Dublin had a long history as a crossroads trading center, but was still a small town in 1960 when the Volk-McLain Development Co. purchased most of the vacant land around the town and to the north and south, about half of it in Contra Costa County. The company prepared a development plan for its entire holdings, secured the approval of the two counties, and initiated development. To provide the essential public services of water, sanitation, and fire protection, and also

parks and recreation, it annexed its area to what is now the Dublin-San Ramon Services District. One of the advantages of such a district is that it can exist in two counties. By contrast a city cannot cross county lines.

In 1967 an effort to incorporate Dublin was initiated by petition, but was denied by Lafco, whose policy it was that there should not be two cities in the west valley. Instead, an election to annex Dublin to Pleasanton was held, and was defeated in Dublin. More recently, a local study committee proposed that state law be changed to permit incorporation of a city in both counties, which would permit the city to include both the Alameda (Dublin) and Contra Costa (San Ramon) portions of the services district. Prior to proposing such legislation, the local assemblyman requested an advisory referendum on the subject, and in November, 1979, the measure passed in Dublin but was defeated in San Ramon.

The area under study is the Dublin portion of the district. Generally these boundaries include the urbanized and urbanizing parts of the valley, being bounded on the north by the county line, on the south by I-580, on the east by Dougherty Rd. and the railroad, and on the west by the foothills. These boundaries do not include the Komandorski Village public housing project. It should also be noted that annexation of



Camp Parks and the Santa Rita Rehabilitation Center to the services district, for sanitation services only, is close to completion.

Dublin's population as of the 1970 census was 15,041, which, according to the County Planning Department, dropped to 14,500 by 1978 due to a decline in household size from 4.07 in 1970 to 3.68 shown in the 1976 Alameda County special census.

Percentage age distribution changed between 1970 and 1976 as follows:

<u>Age group</u>	<u>% of Total</u>	
	<u>1970</u>	<u>1976</u>
0-4	13%	8%
5-9	17	12
10-14	13	15
15-19	8	12
20-24	5	5
25-29	11	9
30-34	11	10
35-39	8	9
40-44	6	7
45-49	4	5
50-54	3	4
55-59	1.5	2
60-64	1	2

65-69	.5	1
70-74	.4	.6
75 plus	.5	.7

This tendency for the population in established areas to age is typical.

In 1978 there were 3,644 single-family housing unit and 480 multiples, for a total of 4,124. According to the Alameda County general plan, the holding capacity of the Dublin area is 6,470 housing units, which with a 3.8 average household size would result in an ultimate population of 23,450, and with a more conservative size of 2.6 would result in a population of 16,820. The plan also proposes 1,430 acres for residential, 360 for commercial, and 260 for industrial land uses in Dublin. Much of this is, of course, already developed, but there is still a considerable amount of vacant land in each land use category scattered through the community, as well as in the undeveloped hills to the east and west. While Planning Department projections have generally assumed Dublin would build out by 1995, the adequacy of sewage treatment and disposal facilities in the west valley has been a constraint on growth in the past, and would continue to be in the future.

This report assumes Dublin's population to be 15,000. It also assumes the population of the San Ramon portion of the Dublin-San Ramon Services District to be 18,000.

III Present Public Services and Costs

A. Introduction

Two distinct sets of services are relevant to this analysis:

1) County unincorporated area services; and 2) special district services. The former automatically cease when an area incorporates or annexes, and become city-provided services, or at least city service responsibilities. They are, in fact, the basic services a city must provide under the law, and include police protection, road maintenance, planning and building inspection, and some lesser services, as well as general administration. The city may contract with the county for most of these services. District services, in Dublin's case the water, sanitation, fire protection, and parks/recreation services provided by the Dublin/San Ramon Services District, do not automatically cease and become city-provided services. The district and its services continue, unless some other alternative is put before the voters.

B. County Unincorporated Area Services

In 1976 the County Administrator's Office issued a report entitled "Municipal Type Services Provided to Urbanized Unincorporated Areas of Alameda County". It divided the county into three areas, one of which was the Livermore Valley, consisting primarily of Dublin and the fringe areas around Pleasanton and Livermore. Of the valley's assumed 16,900 unincorporated area population, Dublin accounted for about 15,000. The report included two types of revenues; those generated by the particular service (e.g., building inspection fees); and general unincorporated area revenues, which represent the amounts the county would not receive if the area were incorporated. Service costs were allocated to each area on the basis of workload data and population. Road

maintenance, which is financed by special gas taxes was not included, though gas tax revenues for this area were estimated at \$191,176. Summary data for the Livermore Valley were:

	<u>Annual Costs</u>	<u>Service Revenues</u>	<u>Budgeted Positions</u>
Animal Control	\$ 34,314	\$ 10,616	1.6
Building inspection	77,623	58,672	2.8
Planning	160,992	23,927	7.1
Police (Sheriff)	579,431	6,750	23.0
Administration	<u>86,807</u>	<u>--</u>	<u>N/A</u>
	\$939,167	\$ 99,965	34.5

General revenues for the area were estimated as follows:

Sales tax	\$1,190,927
Liquor fees	6,954
Cigarette tax	110,975
Motor vehicle tax	224,224
Highway licenses	2,080
Franchise fees	11,657
Fines & Forfeiture	<u>83,267</u>
	\$1,630,084

The other two areas of the county-Eden/Washington and Castro Valley-showed a net loss, but this area showed a net gain due to the high Dublin sales tax collections.

If the 1976-77 Livermore Valley county cost data were tailored to the smaller Dublin population, and then updated to 1979-80 by adding a 30% inflation factor, the results would be:

Animal control	\$ 39,651
Building inspection	89,697
Planning	186,035

Police	\$669,565
Administration	100,311

The above figures will be used later in this report, where appropriate. Road cost data have been separately developed for this study, and are set forth below. In addition, the Sheriff has prepared a study of what is being provided now, and would be provided to a City of Dublin under a police contract with the county. This information is also set forth below.

1. Roads

According to the Construction and Maintenance Division of the County Public Works Department, there are 43 miles of local public streets within the proposed boundaries. Of these, 10.35 miles are major arterials and connectors, and the balance minor subdivision streets.

Because virtually all these roads were built in recent years to modern standards, they are in relatively good condition. In addition, because they were built according to a community plan, the result is a system with few of the deficiencies found in most communities.

a. Maintenance

In 1978 the Division made a thorough study of its maintenance program and costs, broken down by five areas, of which Dublin was one. At that time routine maintenance of roads, storm drains, bike lanes, and sidewalks in Dublin was estimated at \$295,482 annually. This included periodic slurry sealing of minor streets, sweeping residential streets each five weeks, and commercial streets

weekly. The maintenance of traffic safety devices (reflectors, signs, striping, etc.) cost \$34,499, and of signals cost \$14,933. Thus the total of these items in 1978 was \$344,914. The Public Works Department is currently using a 10% inflation factor, according to the Fiscal Branch (7% for personnel, 14% for asphaltic materials), which would bring this figure up to a 1980 total of \$417,345. In addition, these are direct costs to which the department adds 39% for overhead, administration, and other indirect costs. On this basis total costs are \$580,109.

According to data in the Traffic Operations unit, there are 750 street lights of the 7500-lumen mercury vapor type, and 19 of the newer 5800-lumen high-pressure sodium type. The PG & E charge for the former is \$6,559 monthly, and for the latter \$6,424, as of January 1, 1980. Thus street lighting costs are \$50,657 annually. The current program and costs do not specifically include periodic resurfacing of the major roads, which the Construction and Maintenance Division recommends be done each 12 1/2 years for an adequate program. This would be .828 miles annually, which, at current estimated costs of \$47,960 per mile, would cost \$39,711 annually.

b. Capital improvements

During 1979-80, the county installed a new signal at Amador Valley Blvd. and Regional St. at a cost of \$97,000. This was the only capital project this year.

c. Planned future improvements

The only identified project, according to the department's planning engineer, is a new frontage road along the west side of San Ramon

Rd. between Silvergate Dr. and Dublin Blvd., which would serve to bring east-bound traffic onto San Ramon opposite the Amador Valley Blvd. intersection.

This is a federal aid-urban (FA-U) project which will be 83% federally funded, with the county, or city, making up the remaining 17%.

FA-U funds of about \$70,000 annually have been earmarked for the Dublin area, via the county, on a population basis, and to date \$217,000 has been accumulated. The project is scheduled for construction in 1981-82 at a cost of \$360,000. If incorporation or annexation takes place prior to that time, it is most likely the county will proceed with the project, either directly or by turning the funds over to the city. It would be possible, however, for the county to transfer the funds to some other project.

d. Summary of 1979-80 county road costs

Maintenance	\$580,109
Lighting	50,657
Construction	97,000
	<hr/> 727,766

The county would be willing to contract for road services along the lines of the present program. As noted, the above figures already include the overhead and engineering allowance the county would charge. They do not include the periodic resurfacing the county recommends should be part of a good city program. At the same time, they also include \$97,000 in construction which may or may not be needed in the future. In addition, a contract with the county would not include street lighting, for which the city would contract separately with PG & E.

As a result, this study assumes that should a new city contract

with the county, the annual budget figures would be:

County road contract

Maintenance	\$580,109
Resurfacing	<u>39,711</u>
	619,820
<u>Construction</u> (optional)	97,000
<u>Street Lighting</u>	50,657

2. Police

The Sheriff has submitted a report on present police services in Dublin, which is attached as an appendix. In summary, patrol administrative, records and investigations personnel totalling 25.58 positions are assigned to the Dublin area. Between two and five patrols are in the area at all times. The Sheriff estimates the annual cost of this service at \$628,633, derived by pro-rating the cost of the Eden Township Substation on a population basis. The cost includes animal control, but does not include indirect support services provided from headquarters.

The California Highway Patrol provides traffic patrol on all free-ways and, until 1978, on unincorporated area roads. Since that time, the CHP has concentrated on freeway patrolling, and has notified the counties that it will no longer respond to minor traffic calls in the unincorporated area. That work load is being absorbed by Sheriff's patrols. In 1977 the Sheriff reported on services in the Dublin area, estimating the cost of Sheriff's services at \$572,588 and the CHP's at \$248,917.

3. Estimate of Total County Unincorporated Area Service Costs in Dublin

General Fund

Building Inspection	\$ 89,697
Planning	186,035
Administration	100,311
Police	628,633

Road Fund

Roads	<u>727,766</u>
	\$1,732,442

C. DISTRICT SERVICES

The DSRSD's population is 33,000, its assessed value, \$147,039,409, and its area six sq. miles. The Dublin portion contains 15,000 population, \$75,690,201 assessed value, and three sq. miles.

As noted earlier, the district could be left in existence to continue as is. In that event there need be no attention paid to these services. Remaining in existence would be easier with incorporation than annexation, since the new city would then stay entirely out of these services. Since Pleasanton already provides them, problems of duplication would be unavoidable. Even with incorporation there would be duplicated policy-making and administrative functions between the city and district. District services break down as follows, based on the 1979-80 mid-year budget.

1. Legislative and administrative

Total costs are \$254,550, including board expenses, legal and auditing services, six administrative, financial and engineering employees, and various office and overhead costs.

2. Fire Department

The budget is \$1,091,400, providing for 31 firemen and two stations.

3. Recreation, Parks and Aquatics

These activities were decimated by Prop. 13. Recreation includes operation of Shannon Community Center, the San Ramon Olympic Pool (Valley Community Swim Center is maintained but not operated) and the four tennis courts at Athan Downs. This is done primarily through a contract with San Ramon Community Center, Inc., and

the cooperation of other groups. Parks includes four district maintenance employees at Boone Acres, Shannon and Mape parks, and contractual maintenance at Athan Downs and the Kolb Park tennis courts. Aquatics involves maintenance of the two pools by one employee. The budget is \$252,200.

4. Sanitation

The district serves all of Dublin, but only the southern portion of its San Ramon territory in Contra Costa County, the northern portion being served by the Central Contra Costa Sanitary District. In addition the district's treatment plant serves much of Pleasanton and Camp Parks. Sanitation is an "enterprise" or autonomously funded activity, relevant data for which are:

Revenues

Service charges	\$1,300,000
Connection fees	72,500
Miscellaneous	<u>3,200</u>
	\$1,375,700

Expenditures

Operations	\$1,093,600
Capital Outlay	6,900
Transfer to general fund	*170,000
Surplus	<u>105,200</u>
	\$1,375,700

*Represents administrative costs

There are 21-1/2 employees in the areas of engineering; inspection, maintenance, and treatment plant operation, with 16 in the last category.

5. Water Supply

The district serves only the Dublin portion of its total territory. Hence, this is the only district service whose service area and costs are identical with the proposed boundaries. Water is purchased from Zone 7 of the Alameda County Flood Control District, which in turn imports it from the state's South Bay Project. Water is also on an enterprise basis, for which the relevant data are:

Revenues

Service charges	\$658,700
Meters	30,000
Miscellaneous	33,000
	<u>\$721,700</u>

Expenditures

Operations	624,300
Capital Outlay	2,200
Transfer to general fund	<u>*95,200</u>

*Represents administrative costs \$721,700

There are 5-1/2 employees in the areas of accounting, inspection and maintenance.

6. Other district activities and funds

The district, Pleasanton and Livermore have by joint powers agreement, established the Livermore Amador Valley Waste Management Agency (LAVWMA), to operate a sewage

pipeline to the bay. This is done by the district as an enterprise fund, showing \$62,500 in revenues from governmental agencies, and a similar amount (\$54,100 in operations and \$8,400 in capital outlay) in expenditures. There are two employees. The district also maintains sewer and water expansion funds, with revenues derived primarily from connection fees and state/federal grants, and expenditures going primarily for major capital projects, such as the current treatment plant upgrading. Currently these funds show:

<u>Revenue</u>	<u>Sewer</u>	<u>Water</u>
Connection fees & interest	\$ 945,779	\$133,982
Grants	<u>1,744,314</u>	<u>-</u>
	\$2,690,093	\$133,982
 <u>Expenditures</u>		
Contractual	\$1,825,613	-
Other	101,049	-
Transfer to general fund	42,802	5,743
Surplus	<u>720,629</u>	<u>128,140</u>
	\$2,690,093	\$133,982

As of January 13, 1980, the district's total cash position was as follows:

<u>Funds</u>	<u>Cash in bank or invested</u>
General	\$ 314,598
Fire capital	364,145
Sewers	
System	456,963
Expansion	2,759,428

(Funds - Continued)

Water	
System	288,871
Expansion	433,274
Recreation bonds	
Improvement	10,523
Sinking	<u>201,181</u>
	\$4,828,983

It should be noted that, should the district and its services be modified as a result of incorporation or annexation, the disposition of parts or all of the district's liabilities and assets would have to be worked out. The law specifies how much of this is to be done, and also provides that Lafco may attach appropriate financial conditions to changes in district organization.

7. The district's financial condition

As noted above, the district's cash position is good, though this is primarily a result of the several capital expansion reserve funds, which include grant receipts.

Looking just at the general fund, the mid-year budget shows the folloing:

<u>Revenues</u>	
Property tax	\$781,000
Bail-out*	428,000
Refuse franchise	44,000

*Now a part of the property tax. Because the district is in two counties, these funds are not affected by the Special District Augmentation Fund.

Water & sewer transfers	185,200
Recreation user fees	10,300
Miscellaneous	<u>66,200</u>
	1,614,700
<u>Expenditures</u>	
Legislative	50,250
Administrative	204,300
Fire	1,091,400
Recreation	37,700
Parks	145,900
Aquatics	<u>68,600</u>
	1,598,150
Surplus	<u>16,550</u>
	1,614,700

Prior to Prop. 13, property tax revenues were \$1,635,487, and expenditures for recreation, parks and aquatics totalled \$751,576. Thus these services bore the brunt of the Prop. 13 loss, (fire protection expenditures have substantially increased), and what had been a comparatively high and well-funded level of service has become a comparatively poor one. The question this poses for incorporation or annexation is that, were funds available, what should be the level of service?

D. City of Pleasanton

The city's population is 35,000, its assessed value \$183,957,000, and its area 13 sq. miles. It's northern boundary runs along the south side of I-50 opposite Dublin, and much of this area is developed or developing. Thus the city has good contiguity with Dublin and with the exception of the freeway barrier, can easily and efficiently extend its services to Dublin. Generally the city provides basic city services, plus the same additional services as those provided in Dublin by the DSRSD. It's 1979-80 budget is summarized as follows:

Revenues

General Fund

Property tax	\$ 859,000
Bail-out*	680,000
Sales tax	880,000
License and permits	221,240
Fines	100,000
Franchises	138,000
Development fees	102,050
Recreation fees	250,046
Vehicle in lieu	532,000
Cigarette tax	100,000
State tax relief	114,000
From revenue sharing	228,000
Miscellaneous	<u>383,543</u>
	\$4,587,879

*Now a part of the property tax.

Sewage/Drainage Fund

Charges	\$1,143,000
Other	<u>34,860</u>
	\$1,177,860

Water M&O Fund

Sales	\$1,073,605
Other	<u>17,500</u>
	\$1,091,105

Debt Service

Property taxes	\$ 90,600
Water sales	51,395
Sewer charges	11,680
Grants	<u>12,500</u>
	\$ 166,175

Total \$7,023,019

ExpendituresGeneral Fund

General government	\$ 984,679
Streets	365,688
Public Works Admin. & Eng.	278,763
Parks	298,809
Fire	1,017,296
Police	1,419,174
Planning & Bldg. Insp.	239,557
Recreation & Human Resources	<u>351,115</u>
	\$4,955,081

Sewage \$ 933,441

Water 1,021,600

Debt Service 165,843

Total \$7,075,965

The city's expenditure categories are not directly comparable to those of the DSRSD, because the city includes some park and recreation maintenance in general government, and also includes street trees and medians in parks.

The city was also hard hit by Prop. 13, previous to which its general fund property tax revenues were \$2,464,930. It has since reduced general government, streets, parks, and recreation, and has increased fire and police. Though the city has increased some of the revenues under its control, and others (e.g., sales tax) have increased of their own accord, general fund revenues have fallen by over \$1,000,000.

Fund balances as of June 30, 1979, were:

General	\$1,255,110
Sewer	207,905
Water	98,619
Debt service	16,696

The earlier budget figures indicate a decrease in the general fund balance, and an increase in the sewer fund. The budget message notes some financial relief is expected in 1980-81, due to sales taxes from the opening of the Stoneridge Regional Shopping Center.

Capital projects and the revenues for them are not included in the regular budget, but in a separate capital improvement program. The 1979-80 program includes the following:

- a. Street projects totalling \$1,691,022, and including bike paths and the railroad consolidation. Funding for these projects comes from the county gas tax, street improvement fund, highway safety grants, MTC, FAU (federal aid urban), and the city gas tax subvention.
- b. Water projects totalling \$126,000, and funded from the water improvement fund (connection fees)
- c. Park projects totalling \$152,000, and funded from the neighborhood park fund (park dedication fees) and HCD federal housing and community development.
- d. Sewer projects totalling \$767,000, including \$625,000 to buy into the DSRSD plant, and funded from the sewer improvement fund (connection fees), the Stoneridge assessment district, and the phase-out fund (connection fees and grants).
- e. Miscellaneous projects totalling \$278,878, and funded from the capital improvement fund (residential construction tax and allocation plan).

After these expenditures, the balance in the various capital funds is projected at \$426,291.

IV. Incorporation of Dublin as a City

A. Introduction

The basic services that a city has to provide or be responsible for are:

1. General Government
Council, administration, attorney, etc.
2. Police Protection, including animal control
3. Public Works
Engineering and administration
Street maintenance
4. Planning
5. Building Inspection

A city can choose to provide a number of other, non-essential services. As noted earlier, there are four services provided by the DSRSD that could, or could not, be transferred to the city, namely:

1. Fire Protection
2. Water Supply
3. Sanitation
4. Parks and Recreation

Alternatives for reorganizing the DSRSD and its services will be set forth in a later section. They are relevant at this point because whether or not they are transferred affects the structure and finances of the city. In particular, the size and cost of city general government is largely determined by how many city programs this activity must administer. The delivery of a service, and the nature of its overhead costs

also vary with whether it is a part of, or apart from, the city. In addition the delivery and cost of the required city services may be affected by whether other services are, or are not, provided by the city.

Generally there are advantages to the "full service" city in terms of efficiency, coordination, and unified policy-making. Accordingly, this report will first set forth incorporation on the assumption all DSRSD services are transferred. However, there may be either technical or political obstacles to this assumption. These include the problem of the continuation of present DSRSD services in San Ramon, and the fact LAFCO, and then the voters, must approve whatever changes are made in the DSRSD. Accordingly, an incorporation with no service transfers will also be outlined.

B. Full-Service City

1. Annual Costs

City service levels, staffing, and costs vary, even between similar cities, according to local desires and ability to pay. There are no set standards for projecting these items, and in reality they will be determined by future city councils. This report relies on the practices of similar cities, which have been affected by Prop. 13, and on the data concerning existing county services and what the county would provide the city by contract. For purposes of comparison with annexation, Pleasanton's services will also be considered.

a. General Government : \$480,000

This activity is not identifiable with present county services, although the 1976 county report did estimate county administrative costs separately.

1) Council: \$15,000

This assumes \$150 monthly salaries.

Without them the cost is \$6,000, largely for travel and memberships.

2) Attorney: \$30,000

This assumes a retainer, rather than a full-time position, as in Pleasanton. It would vary with legal activity.

3) Administration: \$235,000

This activity includes all the other general government activities-management, accounting, clerical services, city buildings, etc. It can be organized in a number of different ways, in particular with respect to whether various costs (e.g., for duplicating, typing, supplies, facility and vehicle maintenance) are shown here, as Pleasanton does, or in the individual operating departments, as many other cities do.

Total costs in similar cities* range from \$140,000 to \$300,000 (Pleasanton shows about \$600,000), reflecting differences in both service level and reporting methods. This report assumes that, wherever possible, city services and their costs are shown under appropriate operating departments. This would reflect the trend toward "enterprise activities" already used by the DSRSD for sanitation and water supply, and now contemplated for fire protection. Parks and recreation is, because of the amount of contracting with the non-profit corporation, headed in a similar direction. On this basis, administration might break down as follows:

1. Staffing

City Manager/Clerk

Finance Officer/Assistant Manager

Secretary

3 Clerks

Bookkeeper

Salaries, including fringes = \$135,000

*These are the six Bay Area cities with population near 15,000, namely: Albany, Pinole, Mill Valley, San Anselmo, Moraga, and Rohnert Park.

2. Materials and supplies

Office supplies

Office equipment

Telephones

Utilities

Postage

Building maintenance

Building rental or purchase

Travel

Memberships

Elections

Misc.

Total Costs: \$100,000

The above figures will vary with the extent the city replaces the DSRSD and absorbs its staff and building facilities.

4) Non-Departmental: \$200,000

This is an estimate of city liability and other insurance costs. They will also vary with the services taken over by the city, and with such city policy decisions as conventional insurance versus self-insurance, which Pleasanton uses.

b. Public Works: \$810,477

1) Engineering and Administration: \$140,000

This activity is not identifiable with current county services, except to the extent the county's overhead charges for the road program, as noted earlier, may include engineering. The function includes that of City Engineer and Public Works Director. The former involves engineering approval of subdivisions and other official matters requiring a licensed civil engineer, includes the development of plans and speci-

fications for city projects, as well as the field inspection of these and of the private construction of city facilities, such as new subdivision streets. These latter functions can also be placed under the Public Works Director, whose main task is to oversee such ongoing public works activities as street, park, sewer, and water system maintenance.

Some smaller cities combine the two jobs, while others use a consulting engineer as City Engineer (the county will provide this service under contract) and a Public Works Director for supervisory work, with plans/specs and project inspection either under him or contracted.

The DSRSD currently places an assistant civil engineer within district-wide administration, for general purposes and plans and specs, while its Public Works Director (who is also the district engineer) is placed under sanitation, and inspection is divided between sanitation and water. A city Public Works Department would probably include all these functions as divisions, that is: engineering and administration, including Public Works Director; streets and street lighting; sanitation; water; and park maintenance. If the city contracts with the county for street maintenance, the functions are not that different from those of the DSRSD. The principal additions would be subdivision approval and street engineering; even these could be contracted from the county.

For purposes of clarity, this report will follow the present DSRSD organization, except that to align the proposed city with the organization and reporting format of other cities, the Public Works Director, the assistant Civil Engineer and the public works supervisor/inspector, along with a new position of secretary, will be shown under Engineering and Administration. Their time can be charged back to the other divisions as appropriate, and total costs will resemble those of the DSRSD.

Total salary, fringe and other costs are estimated at \$140,000.

Similar cities now spend between \$25,000 and \$200,000 on this function, varying with development activity, city

construction projects, and local public works problems. Pleasanton budgets \$278,763, including temporary positions for the Stoneridge project.

2) Street Maintenance: \$670,477

As noted earlier, the county recommends a program costing \$619,820, which it would be willing to provide by contract. Alternatively, the city could set up its own maintenance operation, which would relate well to the other potential city maintenance activities with respect to parks, sanitation and water supply. It is noted in passing that Pleasanton budgets only \$126,906 for street maintenance, and has over twice the street mileage as Dublin. Two of the reasons for this difference are: 1) Pleasanton is not currently providing the preventive maintenance (sealing, overlaying) that the county provides in Dublin; and 2) the county shows all costs, including overhead, while the Pleasanton budget combines such costs elsewhere.

This report assumes the city will contract with the county, perhaps later setting up a similar program on its own.

As noted earlier, the PG & E billing for street lighting in Dublin is \$50,657. The city would have to pay this charge, or a lesser charge if it reduced the number of lights. Also, as noted earlier, the city may wish to undertake road improvement projects, provided the funds are available. Such expenditures are not provided for here.

c. Planning: \$90,000

The 1976 county report showed the equivalent of a staff of seven allocated to the Livermore Valley. Portions of the time of the county Planning Director, as well as of other professional, technical and clerical personnel, were included in this figure, along with the time of three planners. This study's update showed current costs would be \$186,035. By comparison, Pleasanton shows the following:

Director

2 planning assistants, and 1 temporary

Secretary

5 Staff

Its costs are:

Administration	\$ 7,164
Advance planning	34,202
Current planning	63,826
EIRS	<u>61,929</u>
	\$122,121*

*As noted earlier, certain additional costs are shown elsewhere. Similar cities range from \$30,000 to well over \$100,000, depending primarily on development and general plan activity. The former is a combination of several sub-activities: subdivision and lot split applications; rezoning applications; building permits, particularly those requiring variances or design review; sign applications; etc. The current level of building activity is set forth in the building inspection section. There is also a potential for future subdivision activity, though this might be constrained by the availability of sewer connections.

Two other factors could affect the new city's planning work load; 1) It should develop a general plan within 18 months after incorporation; and 2) It may wish to formulate and apply development controls more strict than the county's current controls. The incorporation proponents have stated that a major purpose of incorporation is local control of planning, and depending on how the new City Council approaches this activity, the staffing and consultants required could vary considerably.

The Pleasanton Planning Director has estimated that for the city to serve Dublin would require the addition of 1 1/2-2 staff to the current staff of five. This would cost \$35,000-\$50,000. This report assumes a separate city planning department would consist of a planning director, assistant, and secretary. Total annual costs would be about \$90,000, relatively higher than Pleasanton because all costs are shown here. In addition, about \$100,000 should be allocated over the first two years to prepare a general plan and any new ordinances different from those of the county. This can be taken from a reserve fund.

d. Building Inspection: \$90,000

During the six-month period from November 7, 1979, through May 6, 1980, 240 building permits, totalling \$11,083,704 in construction value were issued for the Dublin area by the county. They broke down as follows:

<u>Type</u>	<u>Number</u>	<u>Value</u>
New single family	84	\$ 6,017,360
New commercial	2	673,900
New warehouse	1	850,000
New Offices	3	1,880,000
New bank	1	400,000
Swimming pools	5	49,000
Signs	29	104,565
Solar units	4	10,319
Repairs/alterations/additions	<u>111</u>	<u>1,098,560</u>
	240	\$11,083.704

It is assumed this level of activity, equaling \$20-25 million annually, will continue in the future. Dublin has extensive vacant residential, commercial, and industrial land available for development, though limited sanitation capacity in the Livermore Valley is a potential constraint. In addition, financially building inspection is an activity that, regardless of its level, most cities budget on a "break-even" basis. That is, permit fees are set to at least cover costs, and the number of inspectors is varied with the work load. The 1976 county report estimated staffing at 2.8, costs at \$77,623, and fee revenues at \$58,672. Since that time the county has increased the fee schedule, though not to the level contained in the 1979 Uniform Building Code. In addition, the 1979 fee schedule in the Uniform Building Code is 80% higher than the 1976 schedule. Applying this 1979 schedule to the assumed level of activity will produce about \$90,000 in permit fees. Pleasanton, which has a building official, three inspectors, and a secretary (budget: \$117,436) estimates that this added work load would require two additional inspectors at a cost of \$60,000, not including overhead. A City of Dublin could set up its own department, which would cost about \$90,000 (Building Official, inspector, part-time secretary, office costs), or contract with the county. As a result of the above, financially this report shows building inspection as "break even".

e. Fire Protection: \$682,125

As set forth under Services Issues, the city would continue to operate the present DSRSD system, with the costs allocated \$682,125 to the city and \$409,275 to a contractual entity in San Ramon.

f. Water Supply: \$721,700

Current costs to the DSRSD for this service in Dublin are \$721,700, including a \$95,200 transfer of revenues to the general fund to represent general administration and overhead. Some of these costs might change, or be budgeted differently, if water supply were a city function.

g. Sanitation: \$635,250

Current DSRSD costs are \$1,270,500, including a \$170,000 transfer to the general fund.

Split 50-50 between Dublin and San Ramon, city costs would be \$635,250. As with water, a city might change these costs.

h. Parks and Recreation: \$250,000

It is uncertain to what extent a city would expand or change the present DSRSD program, which costs about \$126,100 in Dublin. The options include more direct city services, and more services through the four-party agreement. The incorporation proponents have recommended \$250,000, which represents 60% of the costs of the pre-Prop. 13 program. Under annexation, extension of the Pleasanton program to Dublin is estimated at \$240,000, so the \$250,000 figure appears reasonable.

i. Police: \$900,000

The Sheriff's report referred to earlier states that the present level and cost of service is the recommended minimum on a contractual basis after incorporation, and that it would be up to the City Council to decide the type and level of service best-suited to the city. In the latest year for which comparative data are available, 1977-78, similar cities spent between \$392,889 (Moraga, under a contract with Contra Costa County) and about \$900,000, with the average around \$800,000. Allowing for subsequent inflation, the average is now about \$900,000, and that figure will be used here. It represents a 43% increase in present Sheriff services,

or 37 positions compared to the present 26. The proponents of incorporation proposed a police cost of \$700,000.

The Sheriff's report also set forth the advantages of contract services after incorporation, as compared to a separate department, as follows: 1) can be started quicker; 2) avoids new building, facility, and equipment costs; 3) minimizes administrative costs; 4) provides specialized services and back-up that are not feasible for a small department; and 5) the Sheriff's department is already familiar with the community.

In addition, the common practice for new cities has been to contract with the Sheriff for at least the first years, in both Alameda and other counties. This report therefore assumes a contract, but notes that eventually a city would be likely to set up its own department, probably at higher costs.

j. Total Annual Costs

General Government	\$480,000
Public works	810,477
Planning	90,000
Building inspection	90,000
Fire protection	682,125
Water supply	721,700
Sanitation	635,250
Parks and recreation	250,000
Police	<u>900,000</u>
	\$4,659,552

C. Limited Service City

This assumes the DSRSD stays in existence, and the city provides only the required services.

The two areas where staffing and costs would be lower are General Government and Engineering and Administration. The former is affected by the total range of city services, and the latter by the range of public works services. The other services--street maintenance, planning, building inspection, and police--would remain about the same as a full-service city.

District costs for General Government and for Engineering and Administration would continue as is, resulting in some duplication between the two agencies.

1. General Government: \$305,000

Attorney would be reduced to \$20,000. Administration would include Manager, Accounting Officer, secretary, two clerks and a half-time bookkeeper, and total costs of \$185,000. Insurance would be about \$100,000. The city might have to rent offices, rather than use DSRSD space.

2. Engineering and Administration: \$70,000

This activity could best be contracted out to a consulting engineer or the county, at a total cost of about \$70,000.

3. Other Services:

These are the same as the full-service city costs for streets, planning, building inspection, and police.

4. Total Annual Costs

General Government	\$305,000
Public Works	740,477
Planning	90,000
Building inspection	90,000
Police	<u>900,000</u>
	\$2,125,477

V. Annexation of Dublin to Pleasanton

A. Introduction

Pleasanton is a full-service city, and it is assumed that with annexation Dublin would be detached from the DSRSD and its services transferred to the city.

City officials have not, during this study, had time to do a complete analysis of the extension of city services to Dublin, or of their costs. There have been discussions with each city department and division head, and relevant city documents have been reviewed. But the data in this report are preliminary or illustrative, and are the responsibility of the consultant.

Generally, city officials regard Dublin as a separate community, and the Pleasanton general plan does not cover Dublin. In addition, distances are fairly substantial, particularly from the city offices, police department, and public works corporation yard, which are in the southern part of Pleasanton at least six miles from Dublin. It would therefore be desirable to have a branch city office and corporation yard in Dublin, for which the DSRSD offices and yard would serve very well. The office could take water bill payments, issue various permits, provide a field office for public works and police personnel, etc. The corporation yard could house street and other public works equipment and materials.

B. ANNUAL COSTS

1. General Government - \$350,000

The city now spends \$984,679 on this function, including the centralization of many common departmental costs, as well as non-departmental items. Personnel positions include manager, assistant manager, administrative assistant, executive secretary, city attorney, legal assistant, half-time clerk-typist, accounting officer, 1-1/2 account clerks, three office machine operators, a buildings supervisor and five mechanics and custodians, for a total of 17.

To serve the expanded City of Pleasanton the following additional personnel are indicated: assistant manager; legal assistant; clerk; office machine operator; and two mechanics and custodians, for a total of six. This function would include maintenance and operation of the DSRSD offices and Shannon Community Center, as well as various overhead cost increases. In addition the salaries of top officials throughout city government should be increased about 15%. Total costs would increase about \$350,000.

2. Public Works: \$380,000 - \$750,000

a. Engineering and Administration: \$80,000

The city budgets \$278,763 for this activity, and staffing includes Public Works Director (vacant), three civil engineers, an engineer-

ing technician, a senior inspector, three inspectors, and one temporary position, for a total of ten. With annexation the following additions are indicated: civil engineer; draftsman; and inspector. Added costs would be about \$80,000. Proportionately, Dublin does not have as much activity as Pleasanton under this function.

b. Street Maintenance: \$300,000 - \$670,000

Pleasanton's present expenditures break down as follows:

Street maintenance	\$126,906
Traffic maintenance	67,554
Storm drain maintenance	17,628
Lighting	<u>153,600</u>
	\$365,688

The city has 97 miles of streets. Dublin has 43 miles, and under incorporation a budget of \$670,477 was recommended, based largely on county costs and recommendations. Different accounting methods explains some of this disparity. In addition, Dublin contains a greater proportion of four-lane streets that are heavily travelled by trucks, requiring greater maintenance costs. Pleasanton has also given a low priority to preventive maintenance. It would be a city policy decision as to what level and cost of main-

tenance would be provided in Dublin. Meanwhile this report will show a range of \$300,000 - 670,000.

3. Planning: \$50,000

As described under Incorporation, the city's staff of five would be expanded by up to two, and its costs of \$122,121 would be increased by up to \$50,000.

4. Building Inspection: \$60,000

This department includes a building official, three inspectors and a secretary, with a budget of \$117,436. Two additional inspectors, at a direct cost of about \$60,000, would be needed to serve Dublin. Pleasanton uses the 1979 permit fee schedule, and fees should at least cover costs, including some costs shown under general government.

5. Animal Control:

This service is provided by the Police Department.

6. Fire Protection: \$600,000

The city's budget is \$1,017,296 and staffing includes: chief; fire prevention officer; three captains; nine lieutenants; 18 firefighters; a half-time clerk; and the overtime equivalent to one person. County ambulance payments were included in general government.

With annexation the following additions are indicated: assistant chief; captain; three lieutenants; 14 firefighters; and the equivalent of one person. There are some differences between Pleasanton and DSRSD staffing and cost patterns, and this represents a compromise between the two that approximates the present level of service at the Dublin

station. Added annual costs would be \$600,000, somewhat less than the present costs of the Dublin station, due to savings at the chief and other overhead levels. Costs to continue fire protection in San Ramon on a contractual basis are \$409,275.

7. Water Supply: \$700,000

Pleasanton Water Division includes a field superintendent, ten operating positions, almost two clerical - accounting positions, and total costs of \$1,021,600, including \$503,123 for the purchase of water from Zone 7.

The DSRSD system in Dublin includes four operating positions and 1-1/2 clerical-accounting positions. Supervision is by the Public Works Director, and total costs are \$626,500 including \$278,300 for the purchase of water, but not including a \$95,200 transfer to the general fund.

As discussed under Service Issues, there are no problems and some efficiencies in combining the two systems, for example, in clerical-accounting, meter reading, standby emergency personnel, and the use of specialized equipment. These have not been analysed, but should mean that the added cost of serving Dublin would not exceed \$700,000, compared to the DSRSD's present cost of \$721,700.

8. Sanitation: \$635,250

Pleasanton's Sanitation Division includes a field superintendent and 11 operating personnel, and costs of \$933,441, including a \$375,000 payment to the DSRSD for treatment. When the Pleasanton treatment plant

shuts down later this year, and the entire city is served by the DSRSD plant, this payment will go up, while Pleasanton's operating personnel will be reduced.

The DSRSD system includes the Public Works Director, 19 operating personnel, and a half-time accounting position, with costs of \$1,100,500, plus \$170,000 transferred to the general fund. As discussed under Service Issues, a major question is ownership of the DSRSD plant. It is recommended that, with annexation, the plant be turned over to Pleasanton. It would then be possible to consolidate sewage collection and treatment operations, at a probable savings in personnel and other costs. These have not been estimated, and present DSRSD costs will be used for annexation.

If these are split 50-50 between Dublin and San Ramon, the added costs to the city are \$635,250 including the general fund transfer, while the costs to continue service in San Ramon on a contractual basis would be the same amount.

9. Parks and Recreation: \$240,000

The city budgets the following for these activities:

Park maintenance	\$298,809
Recreation	351,115

This does not include recreation building maintenance, which is combined with other building maintenance under General Government. For park maintenance, the city which has about 200 acres of parks, uses such unit cost standards as \$1,321 per acre of turf, \$5.83 per tree, and \$5,208 per landscaped acre around city buildings.

The DSRSD now spends \$145,900 on park maintenance, of which at least half is in Dublin. A rough estimate of added city park maintenance costs is \$90,000.

Recreation costs will depend on the size of the program provided in Dublin. Since Pleasanton's program is 78% self-supported by user fees, revenues will largely off-set costs, whatever the size of the program. Based primarily on relative population, the added costs for Dublin are estimated at \$150,000, with user fees at \$117,000.

With respect to the Swim Center, the city would first analyse the operational requirements and costs of the pool itself. It would then meet with community groups to explore the extent of support for a family membership program which would include a variety of classes and activities, in addition to pool use. About 250 such memberships, at about \$50 annually, might provide a large enough proportion (33%-50%) of operating costs to justify re-opening the pool. School district participation could also be a factor.

10. Police Protection: \$600,000

Pleasanton's department has a budget of \$1,419,174, and the following personnel: chief; captain; two lieutenants; six sergeants; 24 officers; eight police clerks (includes dispatching); two assistants; and an animal control officer; plus the equivalent of seven temporary and overtime personnel. Total staffing is 52, of which 34

are sworn.

With annexation, the following additions are indicated: captain; three sergeants; ten officers; two clerks; an assistant animal control officer (this function includes a variety of other jobs); and the equivalent of three temporary and overtime personnel. Space in the DSRSD building might be used as a field office. Added annual costs will be about \$600,000. In addition, the city is planning a new police building. If Dublin is annexed and the department is expanded along the above lines, this building will have to be somewhat larger and more costly than present assumptions. These added capital costs have not been estimated.

11. Total Annual Costs

General government	\$350,000	
Public works	380,000-750,000	1)
Planning	50,000	
Building inspection	60,000	
Fire protection	600,000	
Water supply	700,000	
Sanitation	635,250	
Parks and recreation	240,000	
Police	<u>600,000</u>	
	\$3,615,250-3,985,250	

1) Depends on level of street maintenance provided.

ANNUAL CITY REVENUES

Many revenues will be the same, or very similar, for both incorporation or annexation. They are therefore dealt with, for both alternatives, in this section.

1. Sales tax

The State Board of Equalization has estimated sales tax revenues from its records of taxable sales in Dublin. A breakdown is included in analysis of the impact of the Stoneridge Shopping Center in Dublin, which is a part of this study. A striking fact is that Dublin sales increased 26% during 1979, and the state has projected a 27% increase for 1980. If Dublin were incorporated or annexed, this would result in city sales tax revenues of \$2,122,434. Current commercial construction in Dublin tends to support such growth, while the current recession and decline in inflation tends the other way.

The shopping center analysis concludes Stoneridge will affect about one third of Dublin's sales volume by direct competition, but that any decline would be overcome by 1985, due to the substantial population growth projected for the trade area by the two county planning departments. As a conservative interpretation of these factors, this report assumes that 1980 sales will increase from \$177,371,000 in 1979 to \$200,000,000 in 1980, or 13%. It assumes Stoneridge will reduce these sales by the same percentage, 13%, noting that this is more than the shopping center analyst anticipates. After subtracting state administrative costs, and the 5% to be shared with the county, the resulting city revenue is \$1,671,208.

2. Subventions

The state subventions are based primarily on population, and with the exception of the gas tax would be the same for either alternative, to wit, assuming 15,000 population:

Liquor licenses	\$ 8,564
Cigarette tax	80,136
Vehicle in lieu	262,500
Highway carriers tax	<u>2,895</u>
	354,095

3. Gas tax

For a new city the gas tax would be \$144,250, and for annexation

\$136,950, the difference being due to small amounts that go to each separate city, regardless of population.

4. Hotel/Motel tax

Pleasanton taxes lodging bills 5%, while the county does not have such a tax in the unincorporated area. Information provided by Howard Johnson's Motor Lodge in Dublin indicates that a 5% tax would produce at least \$50,000. Whether the new city would want to adopt such a tax is not known. It is also possible the law would require prior voter approval. Therefore, this revenue is not shown for the incorporation alternative.

5. Business Licenses

Most cities require business licenses; the county does not. Pleasanton derives about \$66,000 from this tax, which is usually based on the size of each business. From the number of firms and the amount of taxable sales in Dublin it is estimated \$160,000 would be generated. This amount is shown for the full-service city and for annexation, but not for the limited-service city, on the assumption it would probably not adopt such a tax.

6. Per capita estimates

Franchises, the documentary transfer tax, fines, and service fees (not including water, sanitation, or recreation) are based on Pleasanton and DSRSD experience, and that of similar cities, using the following per capita amounts for both alternatives:

	<u>Per Capita</u>	<u>Total</u>
Franchises	\$ 3.50*	\$ 52,500
Transfer tax	1.75	26,250
Fines	2.50	37,500
Service fees	2.00*	30,000
		<u>\$146,250</u>

*For the minimum service city, these revenues are estimated at 50% of these figures.

7. Building permits

Under incorporation, these were estimated at \$90,000 for either alternative.

8. Revenue-sharing

This is based on the Pleasanton experience of \$6.50 per capita, or a total of \$97,500, for both alternatives. This is a rough estimate and could change with several factors: in what form Congress will extend this program; how the reduced tax effort resulting from Prop. 13 will be interpreted; and how the increased tax effort reflecting the Dublin sales tax will be interpreted.

9. Special road funds

Dublin now receives \$69,000 annually in Federal aid Urban funds through the country, for the improvement of local FAU routes. With incorporation, the city would receive these funds directly. With annexation the funds would go to Pleasanton for the improvement of any FAU routes in the entire city.

The county distributes some of its gas tax funds to cities, on a formula that will probably decrease in the future. Each city receives \$10,000, and an additional amount based on population and road mileage. If Dublin were incorporated today it would receive about \$55,000. If it were annexed, Pleasanton's share would increase about \$45,000.

10. Revenues from former DSRSD functions

Under incorporation the DSRSD sewer and water charges and revenues will be used. They will also be used for annexation

to Pleasanton though, as noted, the city has somewhat lower water rates and finances sanitation somewhat differently than does the DSRSD. Park and recreation program fees are estimated at \$117,000 for Pleasanton, which has strong policies concerning fee support. Before Prop. 13, DSRSD fees ran about 25% of costs; at present most fees are collected through the non-profit corporation. Assuming city recreation program costs will be \$150,000, and using the 25% figure, under incorporation fees will be \$37,500. No revenues are estimated for fire protection.

11. State and federal grants

A city makes a stronger applicant than an unincorporated area or special district for many grant programs. In addition, cities are directly eligible to apply for some funds, (e.g., traffic safety) that for unincorporated areas are funnelled through the county.

Of particular note are HUD's Housing and Community Development block grants. Applicants may be cities over 50,000 population, or "urban counties". The latter is defined as a situation where the county's unincorporated area population, together with that of the cities joining with the county in the application, exceeds 200,000. Cities over 50,000 may either apply directly or join with the county. At present Alameda County and its smaller cities have a combined population of about 250,000, and are participants. The 1980 census will probably increase Livermore's population to 50,000. The city could then stay with the joint application, or pull out and apply directly. If it does the latter, the pop-

ulation of the joint applicants will be reduced to close to the 200,000 minimum. This will be further clarified by the census. If Ashland then annexed to San Leandro, it would probably end the county's "urban county" status and the \$3.7 million in annual HCD grants.

With this background it is noted that annexation of Dublin would give Pleasanton over 50,000 population. It could then become a direct applicant. This does not necessarily imply increased funding, but it permits the city to go after exactly what it wants.

12. Summary of annual City Revenues in Dublin

	Full-service City	Limited-service City	Pleasanton Annexation
Property Tax	\$	\$	\$
From county	779,599	779,599	--
From DSRSD	606,169	--	616,600
Sales tax	1,671,208	1,671,208	1,671,208
Subventions	354,095	354,095	354,095
Gas tax	144,250	144,250	136,950
Hotel/motel	--	--	50,000
Business licenses	160,000	-	160,000
Per capita items	146,250	105,000	146,250
Building permits	90,000	90,000	90,000
Revenue-sharing	97,500	97,500	97,500
Special road funds	124,000	124,000	114,000
Sewer charges	650,000	--	650,000
Water charges	721,700	--	721,700
Recreation fees	37,500	--	117,000
	5,582,271	3,365,652	4,925,303

DSRSD Service Issues and Options

A. Introduction

The services the DSRSD now provides do not automatically become city services with either incorporation or annexation. This is an issue that can, however, be dealt with at the time of either incorporation or annexation, by Lafco conditions combining detachments from, or reorganization of, the DSRSD with the incorporation or annexation issue in a single package on the ballot.

Three major questions are involved:

1) How does the DSRSD relate to incorporation?; 2) How does it relate to annexation?; and 3) to the extent a city takes over DSRSD services in Dublin, how can they best continue to be provided in San Ramon?

These questions occur in an area-wide service setting, extending up into the San Ramon Valley and to some extent to other parts of the Livermore Valley. The same background description is useful in setting forth the options for incorporation, annexation, and continued services in San Ramon. Therefore, this section attempts to discuss each service, and then relate the options to it. These can then be plugged back into the separate treatment of incorporation, annexation, and district reorganization.

B. Water Supply

Water is distributed in Dublin by the DSRSD, in San Ramon by EBMUD, and in Pleasanton by the city. Both the DSRSD and the city have local wells and also purchase water from Zone 7 of the Alameda County Flood Control District, which imports water from the state water project and treats it before selling it locally. Zone 7 also re-charges the underground water table with some of its water, as an inexpensive means of long-term water storage.

The agreements between the two local agencies and Zone 7 permit the former to pump a certain amount from their own wells before being required to purchase the imported supply. This amount is termed "the quota" and represents the amount that can safely be pumped from the underground without lowering the water table.

It is cheaper to pump from wells than to purchase, so it is to the financial advantage of each agency and its customers to pump up to its quota before buying. However, the Dublin well water is poor quality, with a high iron content. It requires expensive treatment, and except for the drought has not been pumped in recent years. The district plans to keep one well on standby, and to rely entirely on Zone 7 for normal supply. As a consequence, it is seeking lower rates from Zone 7.

Though hard, the Pleasanton well water is satisfactory, and is pumped up to the quota. As a result the total cost of water supply is comparatively less in Pleasanton than in Dublin. It should be noted that the DSRSD has requested EBMUD to study the feasibility of its annexing and serving the Dublin area. This study will be undertaken within a few months after current studies EBMUD is making of the facilities required to serve growth in the San Ramon area.

A comparison of water rates for a single-family house is as follows:

	<u>Bi-monthly Basic charge</u>	<u>Each 100c.f. to 1,000</u>	<u>Each 100c.f. over 1,000</u>
DSRSD	\$ 5.80	42¢	52¢
Pleasanton	6.25	36¢	36¢
EBMUD	5.20	38¢	50¢

As can be seen, DSRSD is highest, Pleasanton is lowest for large users, and EBMUD may be lowest for small users.

1) Incorporation

Under this alternative it is assumed the city would simply take over the DSRSD water operation, inheriting its agreement with Zone 7. There should be some efficiencies-if the city also provided street, sanitation and park maintenance-in terms of combined use of personnel and equipment. Alternatively, the DSRSD could be left in existence and continue to provide water service. This would be more logical if other district services, particularly sanitation, remained intact. Under either alternative the EBMUD annexation would be feasible, and have about the same impact.

2) Annexation

The city and DSRSD have been considering the merger of water service, to be operated by the city on a contractual basis. With annexation it is assumed the city would simply take over the water operation, though it would be possible to leave it under the DSRSD, separate from the rest of the city system. Merging the two systems has several advantages: their storage tanks are at compatible heights in terms of pressure zones; there is already one inter-connection between the two systems; and the combined use of personnel and equipment would improve efficiency. Pleasanton has heavy equipment, such as backhoes, and specialized repair tools, which would make emergency repairs faster and less expensive than the current Dublin practice of hiring contractors. Both agencies now have inefficiencies in providing emergency standby service and meter reading (the DSRSD uses Kelly girls) which a combined operation would make easier to handle.

There is the question of the future of the DSRSD agreement with Zone 7. While the city might simply inherit this agreement, there are quota and perhaps other matters that may require a renegotiation of the agreement. It is not clear, for example, whether the city could then transfer the Dublin pumping quota to other parts of the city. In the event annexation comes before it, Lafco should consider conditions dealing with this issue.

3) San Ramon

Since this portion of the DSRSD is already served by EBMUD, it will not be affected by any of the service/jurisdictional alternatives.

C. Fire Protection

This service is potentially the most delicate, in terms of the reorganization of DSRSD services, for several reasons: fire protection is the district's largest service, and is provided throughout its territory; it is felt, by the public generally in this country, to be a high-priority local service; and it benefits from an area-wide service base, which in this area is shared, or divided, between two different orientations-toward Alameda County or

toward Contra Costa County.

In both counties, trends toward area-wide cooperation or consolidation are underway. On the Alameda side, the cities of Livermore and Pleasanton, the county and the DSRSD, as well as the San Ramon Valley Fire District north of the DSRSD in Contra Costa County, are already engaged in joint recruiting and training activities. In addition the chiefs of the two cities, the DSRSD, and the county, are scheduled to report this summer on the feasibility of a Livermore Valley Fire District or other means of consolidation. On the Contra Costa side, the Danville and San Ramon districts were recently consolidated into a San Ramon Valley district, the logic of which could extend to the county line.

In Alameda County the 911 emergency service communication center is in operation, though the county line presents problems in terms of both fire protection and telephone exchanges, since both overlap the line. The Contra Costa 911 is not yet operative.

To some extent, it can be said that an area-wide fire protection system already exists and that the options within the DSRSD area can fit into this system without great change, despite earlier note of controversy and complication. Regardless of jurisdictional barriers, fire protection agencies tend to work together.

To some extent, it can also be said that the DSRSD fire protection system was planned, financed, and implemented to serve that particular service area. The location of its two stations, and the allocation of space, man-power and equipment to those stations are the result. While they serve well, and have obtained for the district an unusually good #3 insurance

rating, the following should be noted:

1) The response areas of the two stations do not coincide with the county line-the San Ramon station makes first response to some areas in Alameda County; 2) The district contemplates a third station in northern San Ramon, which would be fully justified only if additional growth and annexation to the north, which is uncertain, could be assumed; and 3) Some informed officials, both inside and outside the district, feel the two existing stations should be relocated to better serve their response areas. This is not a major issue, in the sense that relocating a station is not a large financial problem, compared to annual operating costs. As noted earlier, the district has expansion funds on hand, presently earmarked for a third station. These funds are in the Fire Capital Fund, coming from a \$350 development fee against each new dwelling unit. This is an advantage the district has over other fire agencies. This study, and the outcome of the incorporation/annexation/San Ramon situation, can help to resolve the above questions.

DSRSD

The Dublin station is on Donohue Drive just north of Amador Valley Blvd. and west of I-680. It is well-located for most of Dublin, except that the industrial area along Dougherty Rd. is somewhat distant, and the northern portion of Dublin is closer to, and served by, the San Ramon station. It is at Alcosta Blvd. and Fircrest Lane, east of I-680 in the southern part of San Ramon. A third station is eventually contemplated in the northern part, possibly along Montevideo Dr. Funds for construction are on hand, but added annual operating costs would be difficult to finance at present.

The Dublin station has a 3-man company and a 2-man company, two engines, a pumper, and a county-owned rescue truck. The San Ramon station has one three-man company (off-duty and volunteer men are also used) and two engines. Emergency rescue and medical aid is provided, but not ambulance.

Pleasanton

The city has three stations, one downtown, one on Desertwood Lane north of W. Las Positas Blvd. and west of I-680 (this station is near enough to respond to fires in the southwest part of Dublin), and one at Santa Rita Rd. and W. Las Positas, in the northeast part of the city.

The insurance rating is #4 (good), and the department has 32 men, with 4-5 in two companies at the main station and 2-3 at each of the other two, which are one-company stations supplemented by off-duty men and volunteers. Apparatus includes 4 engines, 2 rescue engines and a squad vehicle. Under contract, the department protects several small urban areas outside the city.

San Ramon Valley Fire Protection District

This is a recent consolidation of the Danville and San Ramon districts. Its southern boundary goes to the county line on each side of DSRSD, and its northern boundary is near Walnut Creek. Its nearest station is on San Ramon Valley Blvd. just north of Crow Canyon Rd. The district plans to relocate this station down to Norris Canyon Rd., to better serve its southern area. It also has a site in the Blackhawk/Tassajara area, where a station would also serve to back up this area.

The insurance rating in Danville is #4, and in San Ramon #5 (fair). These ratings will be reviewed in the next year or so. The San Ramon station has two companies of 2-3 men each, two new pumpers and its own ambulance. The district provides ambulance service.

Alternatives

As noted earlier, changes in the responsibility for fire protection should not greatly change the way the present cooperative system works. A chief difference between the agencies now is in available financial resources (here the DSRSD comes off relatively well, as is reflected in the number of stations, men and equipment, and in the insurance rating), and in the location of stations, which could be changed.

There are advantages in maintaining a strong relationship between the two DSRSD stations, even if they become divided jurisdictionally. Part of Dublin is in the San Ramon station's response zone. If, resulting from incorporation or annexation, this area had to be responded to by the Dublin station, response times would increase. In addition, there is the back-up advantage of one station assisting another, which makes it possible to man and equip each station less heavily than would be necessary if they were independent. Thus were either station left entirely on its own after incorporation (where this could happen to both stations) or annexation (San Ramon Station) more than the present man power and equipment would be needed for the same level of service. This might also require enlargement (or relocation) of the station, particularly at Dublin, which does not contain headquarters office space.

In terms of determining separately the present costs of fire protection in Dublin and in San Ramon, the present fire budget is \$1,091,400. Manning and equipment appears to approximate a ratio of 5 in Dublin to 3 in San Ramon. On this basis costs would be:

Dublin	\$ 682,125
San Ramon	<u>409,275</u>
	\$1,091,400

1) Incorporation

The DSRSD could be left in existence for fire protection within its present territory, with the city not providing this service.

This would result in some duplication, overlap, and possible other problems with the city.

If the city took over fire protection and Dublin were detached from the DSRSD, it would be important, at least in the short term, for the city to contract with a taxing agency in San Ramon to continue operating the present system, including the San Ramon station. This taxing agency could be either the San Ramon remainder of the DSRSD, or a county service area formed for this purpose. If instead of the above, San Ramon were annexed to the San Ramon Valley district, such a contract appears very unlikely. (in fact, the reverse would be more feasible-the city contracting for service from the district.) However, the city and district could sign an automatic first response agreement, under which the district would continue to respond to the northern portion of Dublin and the city would respond to district territory to the west and east of Dublin. As noted earlier, the single Dublin station would probably have to be beefed up.

In the longer term, as the San Ramon Valley area develops southward and a "San Ramon" community identity emerges, and as insurance ratings improve, the annexation of San Ramon to that district may become more attractive. This would make more sense if, in the meanwhile, fire protection in the Livermore Valley becomes consolidated or semi-consolidated, so that the Dublin station would no longer be a "single" station.

2) Annexation

It is unlikely, if not impossible, for the city to leave the DSRSD providing fire protection and other services in Dublin after annexation. It is assumed this territory will be detached from the district. The city could, as it already does in other areas, contract to continue the present system in San Ramon, as described above under incorporation. The automatic first response agreement

with the San Ramon Valley district would also be desirable under that option.

3) San Ramon

As noted above, this area would not be affected by incorporation if the DSRSD were left in existence as is. With detachment of Dublin from the district, under either incorporation or annexation, there are three options:

- a. The DSRSD remains in San Ramon and either provides fire protection on its own, or contracts with the city to continue the present system. The latter is, of course, preferable.
- b. A county service area is formed to contract with the city.
- c. San Ramon is annexed to the San Ramon Valley district. This appears less desirable in the near future than it might be later on.

D. Sanitation

Both collection and treatment are provided in Dublin by the DSRSD, whose treatment plant also serves much of Pleasanton on a contractual basis and will serve the rest of the city later this year when the city's plant is shut down. The district, Pleasanton and Livermore jointly operate an effluent pipeline to the bay, whose capacity can be increased only by approval of the voters in the three areas. This is the potential constraint on growth referred to elsewhere.

The district also serves most of San Ramon, with the northern most recently developed section being served by the Central Contra Costa Sanitary District. This section was removed from the district's sewer service area several years ago, when the DSRSD plant did not have capacity to serve proposed development, while Central San. did have. A disadvantage of this arrangement is that the sewage must be pumped uphill to Norris Canyon Road before it can flow by gravity to the treatment plant near Martinez.

Related to sanitation is the district's contract with Oakland Scavenger Co. for garbage collection. The district charges the company 15% of its revenues, which is placed in the general

fund and this year amounts to \$44,000. Similarly, 15% of the district's sewer revenues are transferred to the general fund, this year amounting to \$190,000. These, along with a similar transfer of \$95,200 from water revenues, go to finance other district activities. In terms of costs and revenues, sanitation is run on a self-supporting enterprise fund basis by both the DSRSD and Pleasanton. Since the populations served are almost identical in Dublin and in that part of San Ramon that is served, if the \$1,270,500 budget for sanitation were divided in half it would be \$635,250 in each area. It should also be noted that the LAVWMA pipeline is being financed by a \$4,200,000 revenue bond issue, guaranteed by sanitation fees and charges that the signatories to the agreement-Livermore, Pleasanton, and the DSRSD- will collect. Thus the replacement of the district or the City of Pleasanton by other agencies-a new city in Dublin, a different district in San Ramon-should be conditioned on that agency signing the agreement.

1) Incorporation

As with its other services, the district could be left in existence to provide sanitation in its present area. If the Dublin area were detached, either the remainder of the district in San Ramon, or a new taxing entity, could either contract with the city to continue sewer services, or provide them itself. The latter would be inefficient. Conceivably, also, the city could contract with this entity to serve the city. A major issue with Dublin detachment, is who would own and operate the treatment plant. As noted, it provides surplus or overhead revenues that can be used for other purposes. The owning entity would also have a greater sense of control over its sanitation than a contracting entity. The need for these revenues and this sense would be greater in San Ramon than in the new city. Joint ownership, if Lafco can stipulate such an agreement, might be a solution. Otherwise it appears the plant should go to that agency most capable of operating it. Which one this would be depends on the extent the DSRSD would be cut back in its other services, and the city became a full-service city. Conceivably, also, the plant could be turned over to Pleasanton, soon to be its biggest user.

Another option was explored, annexing San Ramon to Central San., on the understanding that agency would maintain the collection system, but contract for continued treatment at the present DSRSD plant. There has not been time, in this study, for Central San's staff and board to analyse and resolve this matter. Treatment by Central San does not appear feasible, due to the cost of new pumping plants and force mains to Norris Canyon Rd, and capacity problems farther north.

2) Annexation

Though, again, Dublin could theoretically not be detached, two separate sanitation agencies maintaining collection systems in the same city is not a desirable situation. With detachment and Pleasanton's takeover of Dublin's sanitation, the case for turning the treatment plant over to Pleasanton becomes persuasive. This would also eliminate present frictions between the city and the DSRSD concerning operation of the plant.

San Ramon would be served as described under incorporation.

3) San Ramon

This area would not be affected by incorporation if the DSRSD were left in existence as is. With detachment of Dublin from the district, under either incorporation or annexation, there are three options:

- a. The DSRSD remains in San Ramon and either provides sanitation on its own, or contracts with the city for sanitation. As noted, there is the issue of treatment plant ownership.
- b. A county service area is formed to contract with the city. This assumes city ownership of the plant.
- c. San Ramon is annexed to Central San. This has not been entirely explored.

Under the contracting alternatives, it is assumed San Ramon will be guaranteed service equal to that of the agency it is contracting with. It is also assumed the San Ramon entity can continue to contract for garbage service, and can negotiate sewer service fees that are at cost, to which it can add its own overhead surcharge.

E. Parks and Recreation

DSRSD

Within the Dublin area the district has 37.2 acres of landscaped area, at Dublin Sports grounds (technically owned by the Army), Shannon Community Center, and Mapes neighborhood park. The district also owns the community center, as well as the Valley Community Swim Center, located on the high school campus. This facility has been shut down as a result of Prop. 13. In San Ramon there is the Olympic Pool, also on high school grounds, Athan Downs sports field, Boone acres neighborhood park, and the Red Barn, which houses senior activities. The district has also agreed to maintain the new linear park in the recently-annexed Inverness subdivision. Recreation programs are also conducted on school grounds. The district maintains its grounds and facilities, but has turned their operation and recreation programming over to San Ramon Community Center, Inc. ("the Corp.")

As part of a complicated agreement between the district, R-7 (a county service area for parks and recreation covering the area north of the district to Walnut Creek), the San Ramon Unified School District, and the Corp., DSRSD maintains the grounds at five schools in San Ramon, and is reimbursed by R-7 the cost of one maintenance man. This is intended to achieve north/south consolidation of maintenance. Eventually this agreement may make a clearer separation of functions between the four parties concerning grounds maintenance (which might be turned over to the school district entirely) facility maintenance, and programming. The Corp. is budgeted to receive \$49,000 this year from DSRSD for its non-self-supporting services. It also charges fees for many recreation programs, which do not show in the district budget. The Corp. has found less resistance to the charging of fees than a public taxing agency would.

Pleasanton

The city operates a conventional park and recreation program, including a community pool, but with no facility comparable to Shannon Community Center.

Two community parks are soon to be constructed in Danville and Alamo. An 18 acre site is owned at Bollinger Canyon Rd and Alcosta, and 12 acres at Bollinger Canyon and San Ramon Valley Blvd. R-7 also contracts with the Corp. for recreation programming, primarily on school grounds at present.

The Alternatives

Because the Corp. already contracts for recreation services throughout the area, and offers these on a fee, rather than territorial basis, it offers an opportunity for continuity, regardless of changes in public responsibility for recreation. Under the annexation alternative, for example, it would be willing to re-study the situation with Pleasanton to work out the best deal for arrangements for the residents of Dublin.

As noted earlier, despite the Corp.contract, Prop. 13 has caused the DSRSD to close a pool and cut back on maintenance and various programs. It is unclear what is needed or desired in Dublin, if funds were available. Some district officials say the public has lowered its expectations, and the present park/recreation program is adequate. Others feel grounds maintenance is inadequate, the Valley Community Swim Center should be re-opened, and the cost of gas will lead people to seek more recreation opportunities closer to home. What Pleasanton would provide in Dublin may serve as a guide on this issue.

In terms of the separate annual costs of parks/recreation in Dublin and in San Ramon, the district budget of \$252,200 could appropriately be divided 50-50, or \$126,100 for each area.

It should also be noted that in the event incorporation or annexation results in detachments from, or abolition of, the DSRSD, there are outstanding general obligation bonds which have about 10 years to run, at a current tax rate of about 10¢. They could be paid off earlier, or allowed to remain as a continuing charge against the property now in the district. This does raise the issue of continued use, by San Ramon residents of the Shannon Community Center, and by Dublin residents of the Olympic Pool. Similarly, the various reimbursement agreements with R-7, the unified school district and the Corp. would be in question.

1) Incorporation

The proponents of incorporation have assumed the city would contract with the DSRSD for this service, at a cost of \$250,000 (based on 60% of pre-Prop. 13 expenditures).

This apparently assumes the DSRSD would no longer tax Dublin for this service, and this portion of the district's taxes would be transferred to the city. Alternatively, the district could continue to tax for and provide parks/recreation in Dublin, and the city could make an additional payment to the district for a higher level of service.

City territory could also be detached from the district, with the city providing parks/recreation and contracting with a taxing agency in San Ramon to continue the program in that area, as was described under fire protection. There are efficiencies and other advantages in city provision of parks and recreation along with other city services.

For San Ramon this appears a workable short-term program. Longer term, the area might prefer to annex to R-7 and identify with the San Ramon Valley. Alternatively, the taxing agency in San Ramon (either the remainder of the district or a new county service area) could provide its own program. As noted above, the four-party agreement now in existence is such that if San Ramon and the new city bought into it separately, it would not be much different than the present program:

As noted earlier, the four-party agreement now in existence is such that if the city bought into it and a San Ramon taxing agency bought into it, it would not be much different than the present-- park maintenance for both by the city as successor to the DSRSD, and recreation programming by the Corp. The Corp. also states an incorporated city could add more money to the agreement for more services, if desired.

2) Annexation

The city would extend its present program into Dublin, taking over existing district facilities, but seeking ways of keeping them open to San Ramon residents without non-resident fees. The city's recreation programs are heavily dependent on fees. Re-opening the Swim Center would be analysed

3) San Ramon

If the city is not detached from the DSRSD, services will continue as at present. With detachment, this area has options similar to fire protection:

- a. The remainder of the DSRSD either provides parks/recreation itself, contracts with the city for them, or contracts with the four-party agreement for all services.
- b. A county service area is established for the contracting.
- c. San Ramon annexes to R-7.

Except for the self-provision option, the above options all mean the program will continue much as at present.

VIII. Reorganization

A. Introduction

The section on Services Issues set forth the various governmental alternatives for the services involved, namely, fire protection, parks and recreation, water supply, and sanitation. Reorganization becomes necessary if territory is to be detached from the district for the purpose of providing any one of these services, so that the city can provide that service. There are thus two major questions to be considered: 1) which, if any, service detachments should be made, and 2) if any except water supply are made, how should fire protection, parks and recreation, and sanitation be organized in the remaining San Ramon section of the district.

B. Detachments

There are many arguments in California on both sides of whether cities or districts should provide the urban services in question. The argument for districts stresses they are advantageous where the services can benefit from an area-wide base that a district can provide. Relevant examples are the Consolidated Fire District in central Contra Costa County, the East Bay Regional Park District, EBMUD, and the Central Sanitary District, also in central Contra Costa.

The DSRSD was not set up to achieve area-wide advantages, but to serve a development that occurred in two counties, and it has done that job satisfactorily. As noted earlier, a sort of regionalization is occurring with its services, going beyond its own jurisdiction: the close cooperation among fire agencies; the four-party parks and recreation

agreement; the prospect of EBMUD annexing Dublin; and the extension of the treatment plant to Pleasanton, together with the LAVWMA pipeline.

Of particular relevance is the statement of legislative intent in MORGA: that a single governmental agency, rather than several limited purpose agencies, is best able to set priorities among the full range of community services, and to be accountable for these service needs and financial resources. This statement favors incorporated, over unincorporated, status, and favors city absorption of districts wherever feasible.

The detachment issue relates somewhat differently to annexation than to incorporation. Complete detachment is virtually unavoidable with annexation, and Pleasanton does offer economies of scale superior to those of a city of Dublin, even should the latter continue to serve San Ramon by contract. The organizational problems in San Ramon would be the same, regardless of whether the Dublin detachment was caused by incorporation or annexation.

With respect to financial resources, it is obvious Dublin, because of the sales tax, will generate more city revenues than will be needed for minimum city services. This has implications for detachment under both alternatives.

1) Incorporation

Prop. 13 has forced the DSRSD to underfund parks and recreation, and to make other cut-backs. The proponents of incorporation have suggested solving this problem, while leaving

the district in existence, by the city contracting with the district to upgrade parks and recreation in Dublin. A problem with this solution is how the upgrading would relate to the same services San Ramon.

If Dublin were detached entirely, then the city could consider, as MORGA intends, the financial needs of the complete range of present district services in allocating surplus revenues. In addition to parks and recreation, this could include upgraded fire protection or, with respect to water supply, sanitation and garbage collection, either upgrading or lower service charges.

2) Annexation

Pleasanton has also been forced to cut back by Prop. 13. Any surplus revenues from the annexation could be spread to DSRSD services in Dublin, and to other areas of the city.

3) San Ramon

Somewhat related, the DSRSD has used a portion of its water, sewer, and contract garbage revenues to finance parks and recreation and other services. Detachment would disrupt the use of this financing, though this report notes ways for eliminating this problem in San Ramon.

On a service-by-service approach to detachment, the proponents of incorporation have indicated the two services most likely to be retained by the district are fire protection and particularly, sanitation. The problems of detaching these services, while not disrupting them, were considered in the Service Issues section. With the other two, it is logical to consider turning water supply over to the city, since the district provides that service only in Dublin. But the district combines specialized water supply personnel and equipment with sanitation; if water supply becomes a city function, the case for also transferring sanitation is strengthened. Parks and recreation is provided so flexibly that it is not considered important who provides it, so long as additional city funding is available. That would be easiest with city provision. That leaves fire protection and as noted, it need not be retained under present district-wide jurisdiction to achieve present economies.

In considering the detachment and DSRSD reorganization issue, the consultant feels it highly likely that, were Lafco to approve a Dublin incorporation application, it would be conditioned on total detachment from the DSRSD for all its services for the following reasons:

- 1) Lafco's existing sphere of influence policy is to include Dublin in the Pleasanton sphere of influence, and thereby not permit a second city in this area. A part of the logic of this policy is to minimize the number of local

agencies providing important urban services, and making important urban development decisions, in this area. To depart from this policy and permit a second city, would be justified in Lafco's view only if the existing "second agency", the DSRSD, were eliminated from the area.

- 2) This is the intent of MORGA.
- 3) Similarly, this would make available all the financial resources incorporation would bring into the community for all of the community's service needs.
- 4) Detachment would not create difficult problems of continuing present DSRSD services, in either Dublin or San Ramon.

C. Reorganization

The Service Issues section set forth governmental alternatives for San Ramon, were Dublin to be detached from the DSRSD.

In summary, these were:

1. The San Ramon portion of the district remains in existence.
2. A county service area is formed in San Ramon to replace the district.
3. San Ramon is annexed to the San Ramon Valley Fire District, to county Service Area R-7 for parks and recreation, and a county service area is formed for sanitation The DSRSD is dissolved.

Except for the annexations under 3) above, the San Ramon entity could contract with the city after either incorporation or annexation, to continue the present fire protection and sanitation systems, and join in present arrangements for parks and recreation. Although Lafco cannot require such contracts, as against direct service provision by the entity, they would be highly desirable in terms of costs, service level and service continuity.

It appears that the most practical, and most acceptable in San Ramon, choice in the short run is to continue the San Ramon portion of the district, for the following reasons:

- 1) It is the easiest procedurally. All that is required is that a condition of incorporation/annexation is the Dublin detachment. No district formations or annexations are required.
- 2) It assures San Ramon a continuity of elected leadership and of services. A hazard with the county service area approach, aside from the change in leadership, is that a county service area could soon be dissolved by Contra Costa County, and San Ramon annexed to the fire and recreation agencies to the north. This could not occur with the remainder of the district without its permission.
- 3) Its elected board could be a positive force in several ways, even though the district itself had no full-time staff and provided no services:

it could represent the 18,000 people in San Ramon;
it could bargain with the city over contract
services and costs; it could raise and allocate
various revenues; and it could work toward
long-term solutions to San Ramon service problems,
including annexation to the north.

A rough budget for the San Ramon district, based on other
data in this report, and assuming contracting is:

REVENUES

Property tax	\$382,690
Bail-out	207,720*
Sewer charges	650,000
Recreation charges	2,000
Refuse contract	22,000
Miscellaneous	<u>10,000</u>
	\$1,274,410

*Assumes county does not reduce this funding.

EXPENDITURES

Fire protection	\$ 409,275
Sanitation	635,250
Parks and recreation	126,100
Miscellaneous	<u>20,000</u>
	\$1,190,625

Thus it appears the district would have a small annual
surplus, which it could use as a contingency fund,
or to supplement the present park and recreation program.
The above budget anticipates no growth in San Ramon.

If there were, additional capital funding would be derived from sewer connection fees and the Fire Capital Fund fees. In addition, the budget does not anticipate a second fire station in San Ramon, as the DSRSD has contemplated eventually building.

In the division of assets upon detachment of Dublin from the DSRSD, the remaining San Ramon area would be entitled to around 49% of the district's assets, which presently include substantial cash reserves.

IX. Allocation of Assets, Personnel, Property Tax Revenues, and Appropriations Limits

A. Introduction

Prior to Prop. 13, the only financial issues related to governmental changes were the division of assets, liabilities, and personnel. With AB (which implements Prop. 13), the exchange of property taxes between the affected agencies also has to be determined. With Prop. 4, "appropriations limits" have to be established for new agencies, and modified for existing ones.

B. Division of Assets and Personnel

1. Assets

This occurs when territory is detached from an agency and annexed to, or merged with, another one. Normally its assets are divided in proportion to assessed value. If, for example, 10% of its assessed value is transferred, then so is 10% of its assets. As noted earlier, the assessed value of the DSRSD breaks down as follows:

Dublin	\$ 75,690,201 (51%)
San Ramon	<u>71,349,208 (49%)</u>
	\$147,039,409

Assets include not only cash, but land, buildings and equipment. Of note here are the DSRSD treatment plant, fire stations and equipment, and park and recreation lands and facilities, including Shannon Community Center and swimming pools located on school grounds.

If the affected agencies can't reach an understanding, these could require complicated appraisals to establish their asset value.

In addition to the assessed value basis, the law encourages the affected agencies to negotiate, and permits Lafco to attach conditions covering the allocation of assets and personnel. Thus a common sense approach to these problems is possible, and is usually used. The DSRSD's cash assets, which were set forth earlier, can be used to offset otherwise-intractible problems of equitably dividing assets that are in fixed locations, such as land and buildings.

2. The Treatment Plant

This issue, more one of ownership than assets, was set forth under Service Issues. Neither incorporation nor annexation can by itself eliminate the entire territory of the district, which would make a simple transfer of ownership automatic. Lafco will have to decide this issue, guided by its decision on whether Dublin should be detached from the district, and on its handling of the sewage service question generally. As discussed elsewhere, the plant could be left with the district, transferred to the new city, or transferred to Pleasanton. The latter is the biggest user of the plant, which is located in the city, making this an attractive solution if either incorporation or annexation took over sewer service in Dublin.

In any of these options, continued service, on equitable terms, to areas now served should be guaranteed by conditions, regardless of plant ownership. Conditions should also be established to assure that areas now served continue to pay the regional sewer service charges that finance the LAVWMA pipeline.

3. Personnel

With any detachments from the DSRSD, Lafco should attach conditions providing for the transfer of appropriate service personnel to the successor agency.

C. AB 8

1. Incorporations

This law provides that county and affected district property tax entitlements shall be transferred to the new city according to the following formula:

- a) Cost of county or district services provided to the area during the previous fiscal year, which will be provided (or at least paid for) by the city after incorporation.
- b) Multiplied by the percentage that county or district property tax revenues comprise of total county or district revenues available for general purposes.

For the county, these costs total \$ 1,732,442.

A preliminary review of the county budget indicates that revenues available for general purposes total \$130,423,268, of which property taxes are \$59,328,882

or 45%. This percentage times the cost figure results in \$779,599 in county property taxes that would be transferred to the new city.

For the DSRSD, costs of relevant services in Dublin are:

Fire protection	\$682,125
Parks and recreation	<u>126,100</u>
	\$808,225

While sanitation and water supply might also be transferred, they are not funded with property taxes or the general fund, though they contribute to the general fund. Some general government services might, in effect, also be transferred, but their cost defies determination.

Total general fund revenues are \$1,614,700, of which property taxes constitute \$1,209,000, or 75%. Multiplying this against the above costs, should either service be transferred to the city, the city's property tax revenues would increase, and the district's decrease, by:

Fire	\$511,594
Parks/rec.	<u>94,575</u>

2. Annexation

This law requires the city and county to negotiate the amount of property taxes to be exchanged (transferred to the city) to reflect changes in county and district service responsibilities. Until they do, the annexation is not effective and any increases in property tax revenues from the proposed annexation area are impounded. Alameda County and the cities

have agreed on the amount of county taxes that will be transferred to cities in most annexations, but not in a Dublin-type annexation, involving a substantial county sales tax loss. This report assumes the county will not agree to any transfer of county taxes. The county has also agreed that district taxes will be transferred directly. 51% of the DSRSD's taxes, or \$616,600, is derived from Dublin, and if it is detached, this amount would be transferred to Pleasanton. Finally AB 8 permits counties to continue to allocate the funds that succeeded the special district bail-out. Multi-county districts, like the DSRSD, are not in this system, but receive their bail-out funds directly, on a formula basis. Were the DSRSD cut back to San Ramon, or succeeded in that area by some other agency, it would not be a multi-county district, and would apparently (the law is not clear) have to compete for these funds with other districts in Contra Costa County. About 35% of the district's property tax revenues come from the bail-out.

Prop. 4

Under this constitutional provision, each governmental agency has an "appropriations limit" which is based on certain prior year expenditures or appropriations, adjusted for changes in population and the cost of living. It does not cover all city expenditures and revenues. When the responsibility for providing a

service is transferred from one agency to another, as with incorporation or annexation, the entities involved must mutually agree on the amount their appropriations limits shall be adjusted upward and downward. This short-changes incorporation since there is no appropriations limit for the new city to begin with, and the amount of the reduction of county and district appropriations are unlikely, in this case, to form an adequate base for the city. Prop. 4 also provides that the appropriations limit for a "new or existing entity" may be "established or changed" by the voters, and that the duration of any such "change" shall not exceed four years without another election. Whether this four-year period applies to limits established by the voters for new entities is not clear, and needs legal clarification. In any event, an appropriations limit should be put on the ballot with incorporation, with the amount to be determined by Lafco.

With respect to annexation, this report assumes the city, the county and the DSRSD shall base their mutual agreement on the amount of revenues, subject to the appropriations limit, which will actually be transferred to the city pursuant to other laws. Pleasanton has already devised a format for the relevant revenues, and based on data elsewhere in this report, they will be as follows:

<u>General fund</u>	<u>From County</u>	<u>From DSRSD</u>
Property tax	-	616,600
Sales tax	1,671,208	-
Franchises	52,500	-
Transfer tax	26,250	-
State subventions	<u>100,000</u>	<u>-</u>
Subtotal	1,849,958	616,600
<u>Road fund</u>		
State gas tax	20,000	-
County gas tax	<u>45,000</u>	<u>-</u>
Subtotal	65,000	-
Total	1,914.958	616,600

On this basis, during the year of annexation, Pleasanton's appropriations limit would be increased a total \$2,531,558, while the county's would be decreased by \$1,914,958 and the district's by \$616,600.

The limits can cause problems for an agency if its revenues rise above the amount of the limit. In this event, it cannot spend the money, but must return it to the taxpayers. Whether the decrease in the county and district limits resulting from annexation will eventually cause problems for those two agencies cannot be foreseen at this time. For Pleasanton, the problem is more serious, because its relevant revenues will be increased by more than the appropriations limit increase. This is because many of these revenues

will not be transferred from the county or district, but are, in effect, new local taxes or state subventions. Combined, they are estimated as follows:

General fund

Property tax	\$ 616,600
Sales tax	1,671,208
Subventions	354,095
Hotel/motel	50,000
Business licenses	160,000
Franchises	52,500
Transfer tax	<u>26,250</u>
Subtotal	2,930,653

Road fund

State gas tax	136,950
County gas tax	<u>45,000</u>
	181,950
Total	\$3,112,603

Because of unusually high appropriations during 1978-79, and inflation and population increases since then, Pleasanton's appropriations limit for 1980-81 is \$7.9 million, while its relevant revenues/ expenditures will run around \$5 million. Thus the city has a future gap or cushion of \$2.9 million under Prop. 4. Stoneridge shoppingCenter is expected to generate \$600,000 in sales tax revenues the first year, of which 50% is earmarked to pay off assessment district bonds

and is not subject to Prop. 4. This 50% earmarking will continue until the bonds are paid off, which is estimated at eight years.

As noted above, annexation will generate about \$600,000 more in revenues than it will increase the appropriations limit, thus reducing the city's Prop. 4 gap from \$2.9 million to \$2.3 million. Stoneridge is expected to reduce it an additional \$300,000. The market study included in this report indicates that at full operation, Stoneridge could have annual sales as high as \$150 million, which, after the assessment bonds are paid off, would increase city sales taxes by about \$1.4 million. This, together with the annexation, would reduce the gap to \$.9 million, though it should be emphasized that there are many other factors which will also effect the size of this gap.



MacIVER Associates

1375 LOCUST STREET WALNUT CREEK, CALIFORNIA 94596

PHONE: (415) 933-2992

July 10, 1980

Mr. William Zion
251 Lafayette Circle, #240
Lafayette, California 94549

Dear Mr. Zion:

In accordance with your request, we are pleased to submit our analysis of the potential impact of the Stoneridge Shopping Center on retail sales in Dublin, California. Our conclusions and the methodology employed in our analysis are described in the attached report.

Generally, we find that any negative impact on Dublin's retail sales volume is likely to be of short duration. Growth in the trade areas served by both Dublin stores and the Stoneridge Shopping Center will offset any short term losses within four or five years. Even in the shorter run, we do not anticipate serious sales losses because Dublin's current store mix is heavily weighted toward convenience goods and service outlets not directly competitive with stores generally found in regional shopping centers such as Stoneridge.

We appreciate having this opportunity to consider this interesting problem in urban development for you. We look forward to future cooperation with you.

Respectfully submitted,

MACIVER ASSOCIATES

RODERICK E. MacIVER

REM:gb

Enclosures

A. PURPOSE

The purpose of this analysis of the Dublin market area is to estimate the probable impact on the city's retail sales of the Stoneridge Shopping Center, now under construction. Our approach to this analysis has been to analyze the characteristics of the retail trade area supporting Dublin's retail businesses and to estimate the sources of patronage for the new shopping center. In this way we are able to estimate the extent to which the new shopping center will compete with retail businesses located in Dublin.

B. SHOPPING CENTER SALES

The sales volume generated by a shopping center is largely made up of the personal consumption expenditures of consumers residing in a trade area with convenient access to the center. The basic formula is: Sales volume equals the gross personal consumption expenditure of trade area residents less expenditures made elsewhere. The major steps in an analysis of a retail market include the following:

1. Definition of a trade area likely to be served by retail facilities at the subject location and division of the trade area into sub-zones for analysis.
2. Calculation of the population, households, gross income and personal consumption expenditures of trade area residents and the development of sales volume potentials by type of store based on the volume of consumer spending.
3. Examination and analysis of competitive facilities in terms of their impact on the subject shopping center.
4. Estimation of the proportion of total available expenditures on retail goods and services for particular store types which could be attracted to the subject shopping center.

C. PERSONAL CONSUMPTION PATTERNS

In the Autumn of 1979, the U. S. Bureau of Labor Statistics conducted detailed studies of family budgets for low, middle, and upper income families in 43 areas of the United States. The higher income budget estimates for the San Francisco-Oakland area reflected expenditures of a four-person family with a gross income of \$31,710. The budget allocations prepared by B.L.S. are by function rather than by the type of expenditure. These allocations are shown in Table I. They include all spending, not just spending for retail goods and services. In order to re-allocate the B.L.S. data to reflect retail expenditure by type of store, it is necessary to re-assign the B.L.S. expenditure categories on the basis of data from the Census of Business and Department of Commerce data on personal consumption expenditures.

Our estimates of the allocation of an average higher income household's expenditure by type of retail store for 1979 are shown in Table 2. Adjustments were made to reflect the relative increases in the prices of some commodities, particularly fuel and food.

It must be recognized that these allocations provide only a guide to the sales potential available to a particular store type. The allocation of consumer spending in any particular market area will depend on the mix of stores in the trade area and on the merchandising effectiveness of the different types of stores. Many types of stores compete for the same sales dollar. For example, it is possible to purchase a portable radio in a department store, junior department store, discount department store, variety store, full-line drug store, radio supply store, or even an auto supply store.

TABLE I

ALLOCATION OF HOUSEHOLD EXPENDITURE AVERAGE
HIGHER INCOME HOUSEHOLDS IN THE SAN FRANCISCO-
OAKLAND AREA - 1979

(% of Gross Income)

<u>Item</u>	
Average Total Income	100.0%
Family Consumption	72.2%
Food at home	16.2%
Food away from home	4.7%
Housing (shelter)	14.7%
House furnishings and operations	6.7%
Furnishings	3.6%
Operations	3.1%
Transportation	8.1%
Automobile	5.9%
Other	2.2%
Clothing	5.9%
Personal Care	2.3%
Medical Care	4.6%
Other Consumption ¹	5.3%
Other Items ²	4.8%
Social Security & Disability Payments	4.5%
Personal Income Taxes	21.3%

¹ Reading, recreation, tobacco, liquor, education and miscellaneous expenditures.

² Gifts and contributions, life insurance and occupational expenses

SOURCE: Percent distribution by MacIver Associates from 1979 Budget Studies of the U. S. Bureau of Labor Statistics

TABLE 2

ALLOCATION OF HOUSEHOLD EXPENDITURE BY CLASS OF STORE
 AVERAGE HIGHER INCOME HOUSEHOLD, SAN FRANCISCO-OAKLAND
 AREA - 1979

<u>Class of Store</u>	<u>Percentage</u>
<u>Convenience Goods</u>	<u>29.5</u>
Supermarkets	18.5
Other Food Stores	1.9
Drug Stores	1.5
Liquor Stores	0.9
Hardware Stores	2.0
Service Stations	3.2
Other	1.5
<u>Primary Shoppers Goods</u>	<u>16.1</u>
Full-Line Department Stores	4.1
Junior Department Stores	3.0
Discount Department Stores	3.8
Full-Line Variety Stores	1.2
Specialty Stores	4.0
<u>Secondary Shoppers Goods</u>	<u>8.6</u>
Furniture & Furnishings Stores	1.2
Household Appliance & TV Stores	1.0
Passenger Car Dealers	3.0
Eating and Drinking Places	3.2
Other	0.2

The allocations we have made provide a good indication of the total sales dollars available to efficiently operated stores of the type listed even though the actual allocation of expenditures by type of store may vary from the estimated amounts.

D. CONSUMER SPENDING BY TYPE OF STORE

The allocations of income by store type shown in Table 2 were used together with our estimates of total household income received in each of the census tracts within the trade area to estimate total consumer expenditures. The income estimates were developed by analysis of the income distribution reported in the 1975 Special Census. The average income within each income group was estimated and that amount was applied to the proportion of households within each income group in each of the census tracts. The results of this estimating procedure are shown in Table 4 for convenience goods, primary shoppers goods and secondary shoppers goods stores.

These sales potentials indicate the total dollar amounts likely to be spent by trade area residents in each type of store listed for each of the census tracts and for the entire trade area. The households in the trade area received nearly \$1,513 million in gross income in 1979. The total estimated expenditures by trade area residents in 1979 by major categories of retail sales are as follows:

Convenience goods services	\$446,300,000.
Primary shoppers goods	\$243,600,000.
Secondary shoppers goods & services	\$130,100,000.

Clearly, the trade area produces a large volume of retail sales.

TABLE 3
POPULATION AND HOUSING
SAN RAMON VALLEY AND LIVERMORE-AMADOR VALLEY
PLANNING AREAS

ITEM	SAN RAMON VALLEY	LIVERMORE- AMADOR VALLEY	TOTAL
Estimated Population (Jan. 1)			
1979	51,800	108,300	160,100
1980	54,200	110,200	164,400
1985	61,350	157,800	219,150
Estimated Housing Units			
1979	17,547	36,700	54,247
1980	19,300	39,300	58,600
1985	23,600	60,700	84,300
Average Household Income (1979\$)			
1979	30,300	26,700	27,900
1980	31,300	27,500	28,800
1985	38,300	31,600	33,800
Total Household Income (000s of \$)			
1979	-----	-----	1,513,000
1980	-----	-----	1,688,000
1985	-----	-----	2,849,000

TABLE 4

SAN RAMON AND LIVERMORE-AMADOR VALLEY
ESTIMATED EXPENDITURE OF TRADE AREA RESIDENTS
BY TYPE OF STORE

ITEM	(000s of 1979 \$)		
	1979	1980	1985
Total Household Income	1,513,000	1,688,000	2,849,000
Total Family Consumption	1,092,000	1,219,000	2,057,000
Expenditure by Type of Store			
Primary Shoppers Goods	<u>243.6</u>	<u>271.8</u>	<u>458.7</u>
Full-Line Dept. Stores	62.0	69.2	116.8
Junior Dept. Stores	45.4	50.6	85.5
Discount Dept. Stores	57.5	64.1	108.3
Full-Line Variety Stores	18.2	20.3	34.2
Specialty Shops	60.5	67.5	114.0
Secondary Shoppers Goods	<u>130.1</u>	<u>145.2</u>	<u>245.0</u>
Furniture & Furnishings	18.2	20.3	34.2
Household Appliances, TV, Stereo	15.1	16.9	28.5
Passenger Car Dealers	45.4	50.6	85.5
Eating and Drinking Places	48.4	54.0	91.2
Other	3.0	3.4	5.7
Convenience Goods	<u>446.3</u>	<u>498.0</u>	<u>840.5</u>
Food Stores	308.7	344.4	581.2
Service Stations	48.4	54.0	91.2
Hardware Stores	30.3	33.8	57.0
Other Goods and Services	58.9	65.8	111.1

In Table 4 we have shown total expenditures of trade area residents by type of store. These estimates are based on the household income estimates in Table 3 and the allocation of expenditure by type of stores typical of U. S. urban areas as indicated in Table 2.

The next question to be answered is what portion of these expenditures are likely to be made in the Stoneridge Shopping Center and what volume of retail spending is likely to remain with the existing stores and new stores in other parts of the trade area. Finally, we are concerned with the portion of retail sales which will be made in Dublin out of the trade area total.

E. SALES POTENTIAL - STONERIDGE SHOPPING CENTER

The Stoneridge Shopping Center now under construction, will be a very large regional center. It will have a total gross leasable area of 1,262,000 square feet. Department stores, Macy's, Capwells and J.C. Penney Co. will occupy 517,000 square feet or 41% of the total area. Future plans call for the addition of two additional major stores and a convenience shopping center. We have not considered these future additions in making our analysis.

The three Stoneridge Center Department Stores will have almost enough space to take care of the total full-line department store requirements of the current San Ramon and Livermore/Amador Valley population. By 1985, the three stores will be sufficient to accommodate only about one-half of residents' needs for department store space. Thus, we would expect the new center to have its most significant impact on other department stores in the first two or three years of its operation. It should be noted that our estimates of full-line department store sales potentials do not

include the sales potentials of either junior department stores (such as Mervyns) or discount stores (such as K-Mart). If the potential expenditures by trade area residents in these latter store types are included in general merchandise store sales, Stoneridge's three department stores would have space to accommodate about 35% of potential area residents' current purchases.

The trade area served by Stoneridge is expected to be significantly larger than the trade area served by Dublin's existing stores. The attraction of Stoneridge will be such that consumers will be attracted from Castro Valley and Hayward to the west and from Alamo to the north. It is quite possible that these non-trade area residents will account for from 15% to 20% of the shopping center's customers.

We do not know the range of smaller stores which will be in the Stoneridge Shopping Center, nor do we know how much space will be occupied by various types of stores. It seems likely, however, that the bulk of the space will be devoted to primary shopper goods and restaurants with some secondary shoppers goods such as TV and stereos and specialty food stores. The proportion of residents' purchases which these stores could accommodate can be expected to be similar to the proportion of full-line department store sales for both current demand and demand in 1985.

TABLE 5

ESTIMATED POTENTIAL SALES VOLUME
STONERIDGE SHOPPING CENTER
PLEASANTON, CALIFORNIA
AT FULL OPERATION (1979 \$)

	<u>Gross Leasable Area</u>	<u>Estimated Sales Per Square Foot</u>	<u>Annual Total Sales</u>
Department Stores	517,000	\$110.	\$57,000,000.
Specialty Stores	745,000	\$125.	\$93,000,000.
TOTAL	1,262,000		\$150,000,000.

F. DUBLIN SALES TAX SOURCES

The taxable retail sales in 1978 and 1979 of Dublin businesses are shown in Table 6, along with the number of sales tax permits by type of store. The 548 establishments with sales tax permits in 1979 generated a total sales volume of \$177,000,000. Of this total, \$41,000,000 or 23% was accounted for by apparel, general merchandise and drug stores. These stores, plus some of the stores classified by the State as "other retail stores" and "eating and drinking places", are the Dublin stores which will be directly competitive with the stores in the Stoneridge Shopping Center. The other stores in Dublin are largely convenience and service businesses not normally found in regional shopping centers.

It is true that many of the non-directly competitive stores will experience some competitive impact from the new center. This results from the general merchandise stores in the center carrying some product lines which are sold by the existing stores. For example, a large department store with a tire, battery and accessory department will be competitive with service stations, tire stores and auto supply stores with respect to the range of automotive products sold in the center. Generally, food stores, furniture stores, automobile dealers, automobile repair and servicing shops, and building materials stores will experience little competitive impact from the Stoneridge development. These latter stores accounted for \$71,000,000. or 40% of the City's 1979 taxable retail sales. Another source of sales tax revenue which will be little affected by the shopping center is sales by

TABLE 6

TAXABLE RETAIL SALES
CITY OF DUBLIN, CALIFORNIA
1978 AND 1979

TYPE OF BUSINESS	NUMBER OF PERMITS		\$ OF SALES (000's)	
	1978	1979	1978	1979
TOTAL TAXABLE SALES	<u>454</u>	<u>548</u>	<u>140,747</u>	<u>177,371</u>
<u>Retail Stores</u>	<u>175</u>	<u>209</u>	<u>111,222</u>	<u>139,076</u>
Apparel	11	20	1,755	2,867
General Merchandise	9	9	35,878	38,452
Drugs	1	1	(Incl. in Gen. Mdse.)	17,530
Food	14	15		
Liquor	5	6	1,128	1,674
Eating & Drinking Places	43	45	10,841	13,770
Home Furn./Appliances	13	17	2,561	3,150
Bldg. Matls/Farm Imple.	10	10	8,479	9,387
Auto Dealers & Auto Supp.	16	19	25,406	29,061
Service Stations	13	14	8,753	9,663
Other Retail Stores	40	53	6,362	9,663
<u>Other Outlets</u>	<u>279</u>	<u>336</u>	<u>29,525</u>	<u>38,295</u>
Auto Repairs & Garages	31	34	2,055	2,437
Wholesale Lumber & Building Matls.	14	17	2,385	2,564
Mfg. & Wholesale Elec. Equipment	8	9	8,587	11,752
Mfg. & Distributors Industrial Equip.	10	13	1,417	1,822
All Other	216	263	15,081	19,720

non-retail outlets. These sales accounted for \$36,000,000 of 1979 taxable sales (excluding automobile repair and garages) or 20% of the total.

It seems likely that some two-thirds of Dublin's sales tax volume will be virtually unaffected by the development of the new center. The impact on the remaining businesses will be concentrated in the apparel and department stores. Some competition will be experienced by outlets such as liquor stores, eating and drinking places, appliance stores, service stations and furniture stores, but these impacts can be expected to be offset by overall market growth.

Even in the general merchandise category, the impact of the new center on Dublin's retail sales is likely to be minimized because of Dublin's strong discount department and full-line discount drug stores included in that category. These stores are not likely to have similar counterparts in the new shopping center. Thus, their particular market appeal will not be duplicated by the conventional full-line stores located in the shopping center. We anticipate, however, that these stores will lose some sales to the shopping center.

It should be noted that the expected growth in the trade area served by Dublin's retail stores to be sufficient to make any decline which may be experienced in sales tax revenue because of the Stoneridge Center of short duration. Certainly, any negative impact would be overcome by 1984 or 1985.

SHERIFF'S DEPARTMENT • COUNTY OF ALAMEDA

ENN DYER
SHERIFF

COURTHOUSE
1225 FALLON STREET
OAKLAND, CALIFORNIA 94612
(415) 874-6439

June 24, 1980

Mr. William R. Zion
251 Lafayette Circle, Room 240
Lafayette, California 94549

Subject: POLICE SERVICE IN DUBLIN

The following report is in response to your letter of April 8, 1980, requesting information concerning the present level of police service in Dublin, and, in the event of incorporation, a recommended level of police service for the newly-incorporated city.

PRESENT LEVEL OF POLICE SERVICE

To fully appreciate the extent of police service currently provided Dublin, it is meaningful to view the Sheriff's Department as both a regional law enforcement agency and a community police department.

Regional Law Enforcement Agency

The Alameda County Sheriff's Department provides law enforcement service to a county population of 1.1 million residents who live in an area of approximately 818 square miles. This service is furnished by a Sheriff's staff of 899 employees.

The Department is divided into four divisions: (1) Headquarters; (2) Criminal; (3) Detention and Corrections; and (4) Emergency Services.

1. Headquarters Division

This division maintains order and security in county courts, serves court orders and civil process, and transports prisoners.

2. Criminal Division

This division maintains court documents and identification, arrest, and criminal history records; collects and disseminates information concerning

clandestine criminal activity; provides criminalist service; and furnishes police service to the unincorporated area.

3. Detention and Corrections Division

This division operates all county detention facilities and provides correctional and rehabilitative services.

4. Emergency Services Division

This division furnishes disaster emergency service, enforces animal control regulations, and provides fire protection to unincorporated areas.

The Sheriff's Department, as a county-wide, regional law enforcement agency, coordinates crime control programs that reduce interjurisdictional overlapping and duplication, and provides consistent, region-wide practices and procedures. For example, the Department administers the Regional Narcotics Enforcement Program, a regional program aimed at reducing drug traffic in the county; the Department participates in the Tri-Valley Narcotics Task Force, a local program focused on the drug problem in the Livermore-Amador Valley; the Department operates the Narcotics Task Force Unit, a departmental program directed at the control of drug activity in the unincorporated area. Hence, drug control in Dublin is an integrated, multi-faceted program carried out and coordinated by the Sheriff's Department. This regional, coordinated effort is characteristic of the Department's approach in other law enforcement areas such as crime prevention and automated warrant service.

A large organization with broad, regional responsibility provides an opportunity for specialization. Recently, a startling increase in arson (there was a 208% increase in property loss due to arson in the Livermore-Amador Valley between the years 1975-78¹) has required a level of investigative expertise not available in most police departments. Sheriff's investigators assigned to arson require specialized training and expertise in fire behavior, fire accelerants, burn indicators, arsonists' psychology and characteristics, and evidence photography. The Sheriff's Department has the resources to provide Dublin with a broad range of special services characterized by a high level of expertise.

In summary, two identifiable advantages accrue to the residents of Dublin from receiving police service from a regional law enforcement agency: First, programs administered by the Sheriff's Department reduce interjurisdictional overlapping and duplication which heightens the effectiveness of crime control programs and provides a consistent region-wide model of quality police practices and procedures. Second, the Sheriff's Department offers a broad range and level of services that are financially and operationally difficult for the community

¹Valley fire protection agencies provided this information.

police department to acquire and maintain. These additional services are embodied in full-time, specialized law enforcement and back-up capabilities.

Community Police Department

The Eden Township Substation (ETS), an operational section of the Sheriff's Department's Criminal Division, furnishes police service to the unincorporated communities of the county such as Dublin. The population of the unincorporated area is 126,900; the population of Dublin is 14,500². In fiscal year 1979-80, there were 186 positions budgeted to ETS; there were 25.58 positions assigned to Dublin for police service. With a complement of 26 positions, the Sheriff's police service directly assigned to Dublin can certainly be viewed as a small community police department. As such, this "department" is organized along very basic, functional lines. To further illustrate this analogy, facilitate manpower estimates, and provide an aid for comparison, ETS can be organized into four functional units: (1) Administration; (2) Records; (3) Patrol; and (4) Investigations. Figure I details this functional alignment.

1. Administration

This unit is responsible for all day-to-day operations and the management of payroll and personnel functions for ETS. Police service in Dublin requires 24.54 non-administrative positions; thus proportionally, thirteen percent (13%) of the administrative unit's time is allocated to Dublin police personnel (this is equivalent to 1.04 positions).

2. Records

This unit is responsible for warrant and record processing service. Although the Livermore-Amador Valley represents only 16.9% of the unincorporated population, the percentage of crime reports generated from the Valley in 1979 was 20.3%. Multiplying this percentage by the proportion of Dublin population to Valley population yields an estimate of fourteen percent (14%) of the total number of unincorporated area's crime reports originating from Dublin. Based on this percentage, there were 4.20 positions assigned to police records in Dublin.

3. Patrol

Figure II details patrol deployment in Dublin at the present time. Estimates of patrol manpower are based on the number of shifts required annually. For example, a beat assignment requiring 1 deputy sheriff, 7 days a week, 24 hours a day, requires enough staffing for 1092 shifts. Each deputy sheriff works 225 shifts per year; hence, this beat assignment would require 4.85 deputy sheriff positions for annual staffing. A total of 17.57 positions are presently assigned to Dublin for patrol.

²The Alameda County Planning Department furnished this population data.

4. Investigations

Dublin receives the following type and level of investigative service:

- a. General Investigations: Two detective/sergeants are assigned to the Livermore-Amador Valley for general investigative duties. In the past two years, seventy percent (70%) of their cases have originated from Dublin.
- b. Special Investigations: Certain types of crime such as murder, rape, robbery, and arson require additional personnel. Using the proportion of these crimes occurring in Dublin, an estimated fifteen percent (15%) of one detective/sergeant's time is assigned to special investigations.
- c. Auto Theft Investigation: One detective/sergeant is assigned the responsibility of auto theft investigation in the unincorporated area. Approximately ten percent (10%) of all auto thefts in the unincorporated area take place in Dublin.
- d. Checks/Forgery Investigation: The checks/forgery investigator spends one day of the week in the Livermore-Amador Valley. Prorated by population, this means that about 13.4% of the checks/forgery investigator's time is assigned to Dublin.
- e. Narcotics Investigation: One detective/sergeant spends about 15 hours a month in Dublin on narcotics investigation. One deputy sheriff, a member of the Tri-Valley Narcotics Task Force, spends an estimated 60 hours a month in Dublin.
- f. Juvenile Investigation: Most of those cases concerning juveniles are assigned to the general investigations detective/sergeants. However, child abuse and sexual molestation cases are handled by juvenile investigators, who are also responsible for case disposition and ongoing liaison with parents, community groups, and school authorities.
- g. Crime Prevention: This unit, consisting of a sergeant and a deputy sheriff, spends an estimated fifteen percent (15%) of their time in Dublin.

A summary of the investigative service provided to Dublin is given in Table I.

This small community police department is distinguished by a level of investigative specialization (auto theft, checks/forgery, narcotics, juvenile) and a well-trained back-up capability not available to a police department of comparable size. This level of specialization and well-trained back-up stems from the Sheriff's Department's responsibility as a regional law enforcement agency. On the other hand, the Sheriff's Department has always

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been the responsible law enforcement agency in Dublin (operations, beat structure, assignments, and community relations have evolved with the community and are unique to Dublin). Thus, singular police service, tailored to Dublin, characterizes this small community police department. Hence, police service to Dublin is a mixture of the positive effects emanating from a regional law enforcement agency and the community-based qualities associated with a small, municipal police department.

COST OF POLICE SERVICES

Like any large, metropolitan area, Alameda County has a multitude of law enforcement problems. The Sheriff's Department has found that a strong and flexible effort is the most optimal approach to these problems.

In August, 1976, a triple murder occurred in the community of Dublin. Within five hours after the bodies were discovered, six detective/sergeants were working on the case; within ten hours after the bodies were discovered, Barry Braeske and David Barker were arrested and charged with the crime. The Department has the resources to provide a strong, well-trained, and immediate response to a major crime incident.

Recently, the residents of Dublin have voiced concern about increased juvenile activity in the community's parks. A special park patrol has been formed and assigned to Dublin to control this potential community problem. The Department has the resources to provide a flexible, innovative response to community complaints and problems.

All unincorporated communities (Ashland, Castro Valley, Cherryland, Dublin, San Lorenzo) receive the same level of strong and immediate, flexible and innovative response to their individual police problems. Nonetheless, community differences due to special circumstances, socio-economic characteristics, and demographic pressures are real and exist; hence, levels of police service to these communities are, of necessity, variable. Therefore, the most equitable method for computing costs of police service to these communities is a per capita proration.

For fiscal year 1979-80, the approved expenditures for ETS amounted to \$5,501,625. This amount prorated by population yields an estimated cost of \$628,633 for direct police service to Dublin. This estimate does not include the indirect cost of other county support services or the indirect cost of other Sheriff's Department units such as Administration, Personnel and Recruiting, Planning and Research, and Training.

CONTRACT SERVICES

Recommended Minimum Level of Service

The recommended minimum level of police service to Dublin, as detailed in the previous sections, includes general law enforcement patrol, parking control, complete felony and misdemeanor investigations, specialized major crimes investigation, narcotics investigation, crime prevention, and all other services and functions performed by a city-operated police department. In addition, special services such as park patrol are available on a need basis.

In the event of incorporation, the final decision concerning the type and level of police service best suited to a newly incorporated Dublin would be made by the city officials. Thus, it would be inadvisable to present any further recommendations regarding the cost or level of police service to Dublin until the governing body has determined the optimal police service requirements for their community. Notwithstanding, general assertions can be made about the advantages available from contract law enforcement.

Contract Law Enforcement

Contract law enforcement is an economical and uncomplicated means for newly incorporated cities to provide quality police service in a short period of time. The savings resulting from the reduction of facilities, from the reduction of equipment, from the reduction of building overhead cost, from the reduction of equipment maintenance cost, and from the reduction of other police administrative costs can be substantial. Many established cities have become aware of this cost savings, and this explains the recent trend toward contract law enforcement. At present, there are approximately 1,500 full service contract law enforcement programs being administered in 41 states.³

Contract service with the Sheriff's Department would eliminate the additional tax burden needed to make the initial purchase of police facilities, patrol cars, radios, weapons, and so forth. Also, contract service with the Sheriff's Department would lessen the additional tax burden needed to finance police administrative expenditures for personnel, payroll, logistics, purchasing, and training. Indeed, contract service with the Sheriff's Department would provide a large tax savings to the residents of Dublin.

In addition to tax savings, Dublin's residents would derive extra benefits from the Sheriff's volunteer units. The Department's Reserve Unit is a body of over 200 well trained law enforcement personnel providing further Sheriff's back-up capability; the Department's Rescue Unit is a small cadre of personnel skilled

³Los Angeles Sheriff's Department.

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in emergency rescue operations; the Department's Underwater Recovery Unit is a band of crack divers experienced in underwater recovery and water rescue; and finally, the Department's Special Response Unit is a highly diverse group characterized by specially trained personnel in the areas of bomb and explosive ordnance disposal, special weapons and tactics (SWAT), and hostage negotiations.

Furthermore, extra police services are furnished by the Department's Emergency Services Division. These services include the staff and equipment needed to conduct planning and command post operations for any large emergency, such as earthquakes, fires, floods, large scale civil disturbances, and the like. This division also provides back-up fire personnel and equipment to the Dublin-San Ramon Fire Service District as a part of mutual aid agreements and general county responsibilities. The residents of Dublin receive the full benefits of these volunteer and extra police services.

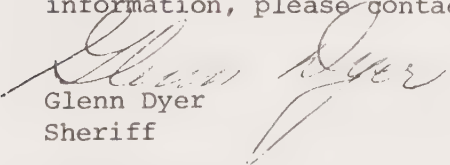
Moreover, the Sheriff's Department, as a large agency, can provide these specialized services and equipment at a lower unit cost because of economies realized through greater utilization. A small police department does not have the financial resources or operational demands required to develop professional, technical support in such areas as arson investigation, bomb disposal, and hostage negotiations. Contract service with the Sheriff's Department would provide the residents of Dublin a broad range of police services at a lower unit cost than that available to a small, municipal police department.

Finally, the Sheriff's Department offers the experience of over a century as a respected, well-established law enforcement agency; but most important to the residents of Dublin is the experience of having always been the responsible law enforcement for Dublin. The cost savings of this experience is incalculable and cannot be added into a cost accounting formula.

CONCLUDING REMARKS AND SUMMARY

Presently, police service to Dublin is provided by an assigned staff of 26 positions at an annual cost of \$628,633. This service is augmented by a wide range of specialized support services and back-up capabilities. In the event of incorporation, contract law enforcement with the Sheriff's Department would provide the residents of Dublin with substantial cost reductions (and the concomitant tax savings) plus specialized services and back-up capabilities not available to a small community police department.

We hope this information will be of use to your study. If you desire additional information, please contact the office of the Undersheriff at 874-6646.


Glenn Dyer
Sheriff

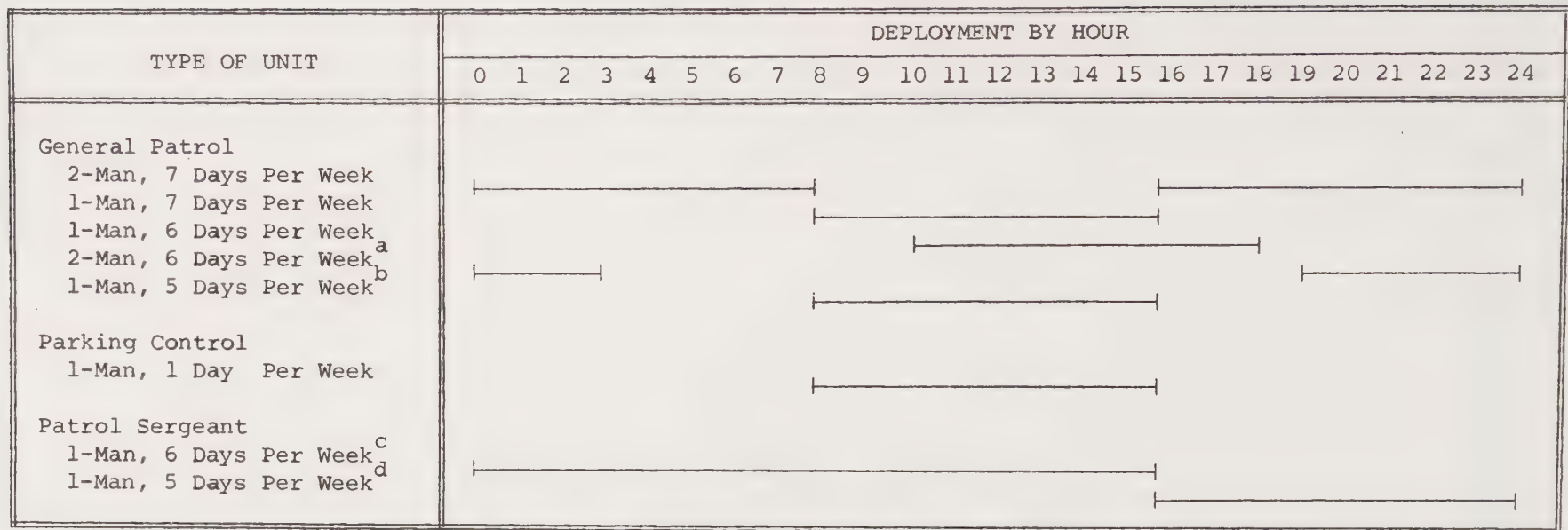
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Attachments

TABLE I
INVESTIGATIVE SERVICE IN DUBLIN

INVESTIGATIVE FUNCTION	POSITIONS
Command Lieutenant ^a	.17
General Investigations Detective/Sergeant	1.40
Special Investigations Detective/Sergeant	.15
Auto Theft Investigations Detective/Sergeant	.10
Checks/Forgery Investigations Detective/Sergeant	.13
Narcotics Investigations Detective/Sergeant	.09
Deputy Sheriff	.38
Juvenile Investigations Detective/Sergeant	.05
Crime Prevention Detective/Sergeant	.15
Deputy Sheriff	<u>.15</u>
Total	<u>2.77</u>

^a Prorated by proportion of investigative staff assigned to Dublin

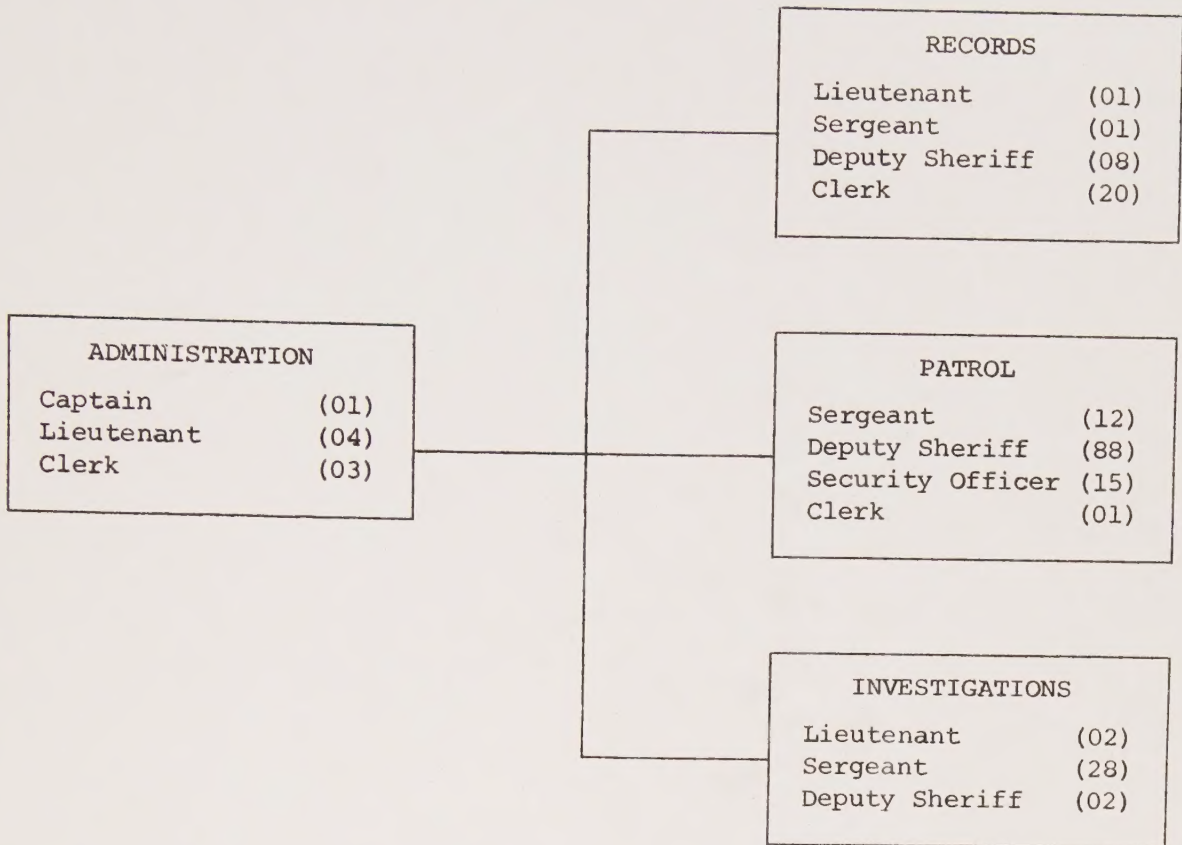
FIGURE II
DEPLOYMENT OF PATROL SERVICE
IN DUBLIN



^a 85% of Time Spent in Dublin
^b 50% of Time Spent in Dublin
^c 85% of Time Spent in Dublin
^d 85% of Time Spent in Dublin

FIGURE I

FUNCTIONAL ORGANIZATION OF
THE EDEN TOWNSHIP SUBSTATION



POSITIONS ASSIGNED TO DUBLIN

FUNCTIONAL UNIT	POSITIONS
Administration	1.04
Records	4.20
Patrol	17.57
Investigations	2.77
Total	25.58



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